SIEMENS energy

Siemens Energy Annual Report 2024

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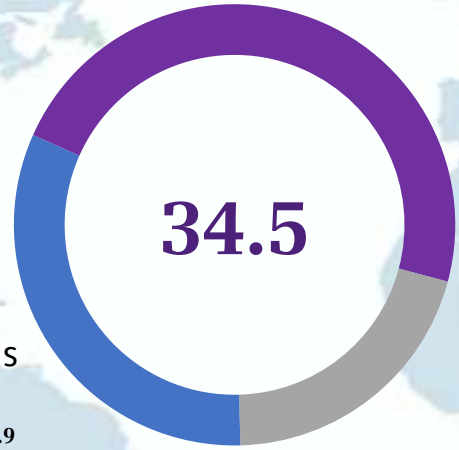
Siemens Energy Group at a glance

Revenue distribution (location of customer)
(in billions of €)



EMEA
18.1
therein Germany **3.1**

Americas
10.3
therein U.S. **6.9**

Asia, Australia
6.1
therein China **1.5**

Profit margin before Special items

1.0%

Profit before Special items
(in millions of €)

345

Net income
(in millions of €)

1,335

Order Backlog
(in billions of €)

123

Orders
(in billions of €)

50.2

Book-to-bill ratio

1.5

Free cash flow pre tax
(in millions of €)

1,859

Basic EPS
(in €)

1.37

Employees Ø
(in thousands)

98

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1

Letter from the Executive Board

Dear Shareholders,

Siemens Energy can look back on a successful fiscal year 2024. Not only did we achieve our financial targets, but we also exceeded them in some areas. A positive market environment helped us: global electricity demand rose by around 4% in 2024, compared with 2.5% in the previous year. The rapidly growing electricity market demands a wide range of our products and solutions. Our Grid Technologies and Gas Services business areas in particular benefited from this in the past fiscal year. Transformation of Industry and Siemens Gamesa also achieved their targets.

We set ourselves three priorities for fiscal year 2024: deliver on profitable growth, fix the wind business, and maintain our solid financial foundation. Progress has been made: We achieved profitable growth in the Gas Services, Grid Technologies and Transformation of Industry business areas. Here, we have systematically addressed the quality issues identified in the area of onshore in the 2023 fiscal year, which had a significant impact on our financial results in 2023. No new causes of defects have been identified, and we have resumed sales in onshore. In the offshore area, we were able to gradually increase productivity as part of the ramp-up of the new turbines. We are committed to achieving the break-even in fiscal year 2026.

Building on this progress, we generated positive earnings before special items, returned to net liquidity, and thus strengthened our financial base. This has been rewarded by you, dear shareholders, as can be seen from the positive development of our share price in the 2024 fiscal year. I would like to thank you for your trust.

With order intake of €50.2 billion, order backlog reached another new record of €123 billion, with further improvement in the margin quality. Revenue increased by 12.8% on a comparable basis to €34.5 billion, with all segments contributing to this growth, slightly exceeding the group outlook (10% - 12%). Profit before Special items came in at €345 million. The Profit margin before Special items of 1% came in at the upper end of the guided range of negative 1% to positive 1%. Free cash flow pre tax increased to €1,859 million, more than doubling from last year and exceeding the adjusted guidance of €1 billion to €1.5 billion. Adjusted net cash position for the company was €1,951 million. The Net Income of Siemens Energy was €1,335 million.

For fiscal year 2025, Siemens Energy expects to achieve comparable revenue growth (excluding currency translation and portfolio effects) in a range of 8% to 10% and a Profit margin before Special items between 3% and 5%. The company expects Net Income to be positive due to assumed positive Special items subsequent to the demerger of Siemens Limited, India. With-out these gains, Siemens Energy expects Net income to be around break-even. Free cash flow pre tax is expected to be up to €1 billion.

We expect global demand for electricity to continue to grow significantly in the coming years. This growth requires a vast amount of additional electricity infrastructure. In the U.S. alone, nearly €500 billion in investments will be needed by 2030 to meet the energy requirements of data centers. According to the World Energy Outlook 2024, almost €2 trillion per year – and thus two-thirds of all global energy investments – will flow into energy transition technologies and thus also into products and solutions from Siemens Energy.

The past fiscal year was a big step in the right direction. However, there is still a lot of work ahead of us. We will continue on this path with passion, consistency, and a focus on profitable growth. We will make targeted investments to strengthen and expand our core business to achieve market-leading profitability and ensure sustainable growth.

We have laid the foundation for this with our good results in fiscal year 2024. Our employees in over 90 countries are doing everything they can to achieve our goals. This is because they are working with all their energy and passion to seize the opportunities arising from the energy transition. I would be delighted if you would continue to accompany us on this path in the future, and I thank you very much for your trust.

President and Chief Executive Officer

Christian Bruch

Christian Bruch
President and
Chief Executive
Officer

Maria Ferraro
Chief Financial Officer

Karim Amin
Member of the
Executive Board

Anne-Laure
Parrical de Chammard
Member of the
Executive Board

Tim Holt
Member of the
Executive Board

Vinod Philip
Member of the
Executive Board

About this Report

This Annual Report contains the Consolidated Financial Statements and the Combined Management Report of Siemens Energy AG and its subsidiaries ('Siemens Energy', 'the Group', 'the Company', or 'we') for the year ended 30. September 2024 including the Group non-financial statement in chapter **2.10 Group non-financial statement** of the Combined Management Report, as well as further information. It complies with the annual financial reporting requirements of Section 114 of the German Securities Trading Act ("Wertpapierhandelsgesetz"). The Combined Management Report includes the management report for Siemens Energy AG in addition to the information on the Group. This Annual Report also contains the **4.5 Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code** as well as the **4.6 Compensation Report of Siemens Energy AG for fiscal year 2024 pursuant to Section 162 of the German Stock Corporation Act**. Independently of this, as part of our focused corporate communications activities, we will also be reporting on sustainability matters within a dedicated sustainability report (available under **www.siemens-energy.com**).

The Siemens Energy's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as well as with the additional requirements set forth in Section 315 e para. 1 German Commercial Code. KPMG AG Wirtschaftsprüfungsgesellschaft has audited the Consolidated Financial Statements and the Combined Management Report. The unqualified independent auditor's report can be found under **4.2 Independent Auditor's Report**. The Independent Auditor's Report also includes a "Report on the assurance in accordance with Section 317 (3a) HGB on the electronic reproduction of the Consolidated Financial Statements and the Group management report prepared for publication purposes" ("ESEF Report"). The audit subject underlying the ESEF Report (ESEF documents to be audited) is not attached. The audited ESEF documents can be viewed or accessed at **www.siemens-energy.com**.

This document contains statements related to our future business and financial performance and future events or developments involving Siemens Energy, that may constitute forward-looking statements. These statements may be identified by words such as "expect", "look forward to", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will", "project" or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, presentations, material delivered to shareholders and press releases. In addition, our representatives may from time to time make verbal forward-looking statements.

Such statements are based on the current expectations and certain assumptions of Siemens Energy's management, of which many are beyond Siemens Energy's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapters **2.7 Report on expected developments** and **2.8 Report on the internal control and risk management and material risks and opportunities** of the Annual Report. Should one or more of these risks or uncertainties materialize, should acts of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all, or should assumptions prove incorrect, Siemens Energy's actual results, performance, or achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens Energy neither intends, nor assumes any obligation to update or revise these forward-looking statements in light of developments, which differ from those anticipated.

This document includes in the applicable financial reporting standards not clearly defined supplemental financial measures, that are or may be alternative performance measures. These supplemental financial measures should not be viewed in isolation, or as alternatives to measures of Siemens Energy's net assets, financial position and results of operations as presented in accordance with the applicable financial reporting standards in its Consolidated Financial Statements. Other companies, that report or describe similarly titled alternative performance measures, may calculate them differently.

The Consolidated Financial Statements have been prepared and published in millions of euro (€ million). Due to rounding, numbers presented throughout this and other documents, may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative version.

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

Combined Management Report

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2.1 Business description

2.1.1 Organization and reporting structure

Siemens Energy AG, parent company of the Siemens Energy Group ('Siemens Energy', 'the Group', 'the Company', or 'we') and registered in Munich, is a Stock Corporation (Aktiengesellschaft) in accordance with German law. The Executive Board of Siemens Energy AG is the body with overall responsibility for the management of the business in accordance with the German Stock Corporation Act (Aktiengesetz).

Siemens Energy's reporting structure in fiscal year 2024 comprises four Business Areas: Gas Services (GS), Grid Technologies (GT), Transformation of Industry (TI) and our Wind Power business Siemens Gamesa (SG). GS, GT and SG are reportable segments; TI will report voluntarily as if it were a reportable segment despite some differences in its economic characteristics (all the aforementioned are hereinafter referred to as segments).

Reconciliation to Consolidated Financial Statements includes items which management does not consider to be indicative of the segments' performance, mainly group management costs (management and corporate functions), other central items, treasury activities as well as eliminations. Other central items include Siemens brand fees, corporate services (e.g., management of the Group's real estate portfolio except SG), corporate projects, centrally held equity interests and other items. For further information, see **Note 25 Segment information** in **3.6 Notes to Consolidated Financial Statements**.

Siemens Energy supports its customers around the globe. The regional breakdown used for reporting purposes by Siemens Energy is **EMEA** (Europe, Commonwealth of Independent States (C.I.S), the Middle East and Africa), **Americas** (Canada, the United States as well as Central and South America), and **Asia, Australia** (the remaining countries of the Asian continent, as well as Australia and New Zealand).

2.1.2 Business model

Siemens Energy is active along the entire energy technology and service value chain with comprehensive and differentiated products, solutions and service offerings. Our broad product portfolio, comprising efficient conventional as well as renewable energies, enables us to meet the increasing demand for energy and support efforts to reduce greenhouse gas emissions at the same time. We also offer digital business and intelligent service models to our customers. We consider ourselves well positioned to shape the energy transition toward decarbonized energy technologies and promptly react to customer needs worldwide thanks to our global footprint.

Siemens Energy has not participated in any new tenders for pure coal-fired power plants since November 2020. Siemens Energy will still fulfill existing commitments for coal-fired power plant projects and the associated service contracts. The carbon-reducing service and solutions businesses, as well as combined heat and power (CHP) projects will also be continued.

A significant share of our business is executed via high-volume projects and characterized by multi-year customer orders, especially in our service and solutions businesses. While orders for large projects may lead to volatility in order intake from one reporting period to the next, revenue is generally less affected by such volatility. Large projects typically have longer development and construction phases. This, coupled with our often long-term service contracts, leads to stable and recurring revenue recognition over several reporting periods. Hence, our order backlog gives us a high degree of transparency regarding future revenues.

Our profitability level differs among our portfolio elements. Therefore, our results of operations are affected by the portfolio mix sold in each segment. Our service business typically has higher margins than the product and solutions businesses. Hence, our results of operations and margins depend on our ability to generate revenue from servicing our large installed fleet by modernization and upgrades as it becomes subject to wear and tear, in particular the rotating equipment. We aim to maintain and expand the long lifespan of our installed fleet to secure orders for service contracts, primarily focusing on long-term service programs. We see the service business as a major pillar of the sustainable business success of Siemens Energy and are seeking to enlarge and leverage this further in the future.

Gas Services

The **Gas Services** Business Area consolidates all the business activities relating to gas and large steam turbines, large generators, and heat pumps, as well as the associated control technology. The GS portfolio includes products, solutions, and services for central and distributed power generation. The business is focused on producing new gas and steam turbines as well as servicing the installed fleet. The wide-ranging service portfolio includes maintenance, performance enhancements, digitalization, and professional consulting.

GS supports a wide range of customers, from utilities, independent power producers, municipal energy producers, EPC (engineering, procurement, and construction) companies to industrial customers and customers in the oil and gas industry. Data centers are increasingly becoming key customers for GS' products and services across its entire portfolio of gas and steam turbines.

Reliable, efficient, and low-emission turbines enable the integration of renewable energy into grids by delivering fast dispatchable power supplementing the fluctuating supplies from renewable energy sources. GS is contributing to the decarbonization of power generation and supporting the achievement of its customers' net zero targets. To this end, the capabilities of the gas turbine portfolio for burning hydrogen and other green fuels are continuously being expanded. Individual types of gas turbines have already been approved for burning up to 75% hydrogen. As part of an EU-funded project, the combustion of 100% renewable hydrogen was successfully demonstrated in a pilot plant in the calendar year 2023 and

marks an important step on the way to the gradual decarbonization of the gas turbine portfolio. At the same time, carbon capture applications are being addressed via partnerships with key technology partners. The portfolio also includes other decarbonization technologies, such as heat pumps for industrial heat generation and district heating applications.

GS' competitors include a small number of multinational original equipment manufacturers (OEMs), some of which hold strong market positions in their home markets.

Grid Technologies

The **Grid Technologies** Business Area focuses its business activities on the most important market trends: demand growth of electricity, electrification, decarbonization, and digitalization. With the products, systems, solutions and services it offers, GT solves the challenges posed by the increasing complexity of grid infrastructure resulting from the integration of renewable energies and the trend towards decentralized energy generation. The product portfolio includes, among others, high-voltage direct current (HVDC) transmission systems, grid connections for offshore wind farms, flexible alternating current transmission systems (FACTS), high-voltage substations, air- and gas-insulated switchgear, transformers and storage solutions, as well as digital grid solutions, components and cyber security.

The GT Business Area serves a wide range of customers, including transmission and distribution system operators, independent power producers as well as industrial and infrastructure customers from sectors such as chemicals, mining, oil and gas, data center and airport operators, railroad companies and hydrogen producers. GT supports its customers on the path to decarbonization with a high level of technological expertise, a global production network, its own sales organization and sales partners.

GT's competitors mainly include a small number of large multinational companies as well as manufacturers from China, South Korea, and Japan, which are currently more focused on individual regions, but are increasingly positioning themselves globally.

Transformation of Industry

The **Transformation of Industry** Business Area comprises four operating but non-reportable segments (Sustainable Energy Systems (SES); Electrification, Automation, Digitalization (EAD); Industrial Steam Turbines & Generators (STG); and Compression (CP)), which are presented voluntarily as if they were a single reportable segment, despite some differences in their economic characteristics. The Business Area's activities are focused primarily on reducing energy consumption and greenhouse gas emissions in industrial processes. TI supports industrial customers in reducing their carbon footprint and achieving their individual decarbonization targets. The Business Area offers products, integrated systems and solutions as well as services for various process industries (e.g., oil and gas, chemicals, petrochemicals, mining, steel, pulp and paper), hydrogen and power generation as well as for the offshore and maritime industry.

TI contributes to reducing energy consumption and greenhouse gas emissions of the industrial sector by focusing on increasing the energy efficiency of existing assets, electrifying industrial processes to enable conversion from fossil fuels to electricity, and by providing solutions to produce and transport green hydrogen and clean fuels. The TI portfolio includes electrolyzers, industrial steam turbines, industrial generators, turbo and reciprocating compressors, compressor trains, drive systems and solutions, batteries and fuel cells, as well as service and digital offerings for the entire portfolio. TI's service offerings seek to extend the lifespan and availability of products, especially of steam turbines and compressors. TI is also scaling several novel decarbonization technologies, such as heat recovery solutions, compressed air energy storage, special hydrogen compressors, and CO_2 compressors for separating, using, and storing carbon.

Overall, TI benefits from the rising demand for carbon-optimized energy technologies, the transition towards a hydrogen-based economy, as well as the electrification, automation, and digitalization of industry. Reducing industrial emissions requires investment in decarbonization solutions, the optimization, improvement, and modification of processes, and the reduction and use of volatile emissions.

TI's main competitors are OEMs, EPC suppliers, as well as entities of industrial enterprises and start-ups that focus on Cleantech and hydrogen solutions.

Siemens Gamesa

Our Wind Power business **Siemens Gamesa** focuses on the design, development, manufacturing, and installation of products, as well as on the provision of technologically advanced services in the renewable energy sector, with a focus on onshore and offshore wind turbines for various wind conditions. Depending on customer requirements, the scope of involvement may include delivering either a full EPC project or, in some cases, just the supply of components for wind turbines. SG comprises the Wind Turbines (Onshore and Offshore) as well as Operation and Maintenance (Service) business fields.

SG offers the design, engineering, manufacturing, and installation of wind turbines based on both geared and direct drive technology. In addition, SG provides services for the operation and maintenance of windfarms by offering a comprehensive and flexible portfolio for the maintenance and optimization of wind turbines, thus covering the entire lifecycle. Complete asset management as well as technical support are offered for SG's wind turbines and expanded for third-party platforms.

Primary customers of SG are large utilities and independent power producers, as well as project developers. The onshore wind farm market is characterized by many different providers without a single company currently holding a dominant market share. The markets for offshore wind farms are served by a few experienced market players and are mainly driven by scale, technology as well as market access challenges.

SG's competitors are mainly a small number of large multinational companies, as well as manufacturers from China, which are becoming increasingly global.

2.1.3 Research and development

In fiscal year 2024, we reported research and development (R&D) expenses of €1,209 million (2023: €1,123 million). The resulting R&D intensity (ratio of R&D expenses to revenue) was 3.5 % (2023: 3.6%). In the past fiscal year, additions to capitalized development expenses amounted to €173 million (2023: €190 million), while amortization of capitalized development expenses amounted to €142 million (2023: €142 million). As of September 30, 2024, Siemens Energy held approximately 19,200 granted patents worldwide in its continuing operations (2023: around 18,700). In fiscal year 2024, Siemens Energy employed an average number of around 4,200 people in the area of R&D.

The success of the company is driven by our ability to deliver innovative products, integrated systems, solutions, and services, and to develop deep relationships with customers and partner companies. We are convinced that sustainable economic value is created through continuous innovation and that investment in R&D is fundamental to our success.

Siemens Energy steers the R&D activities based on a clearly defined strategy. R&D expenses are subject to regular reviews in line with Business Area requirements. We seek to develop our portfolio with a clear focus on decarbonized energy technologies, service, and new growth fields. Another key objective is the optimized use of our extensive service potential, and the increased competitiveness of our current products based on strict quality criteria. In addition, we continue to develop our fields of action focusing on energy transformation and decarbonization:

- Decarbonized heat and industrial processes
- Carbon and product circularity
- Resilient grids and reliability
- Condition-based service interventions
- 24/7 carbon-free energy

The R&D activities are aimed at best addressing the challenges posed by the market-defining mega trends: growing electricity demand, decarbonization, digitalization, and decentralization.

In the GT business, R&D activities are focused on accelerating the development of the SF_6 (sulfur hexafluoride)-free blue portfolio, technologies for future direct current grids, as well as digital products, systems, and solutions for resilient grids and battery energy storage to better support the energy transition. The GS business' R&D activities are focused on transitioning to a carbon-neutral portfolio by developing new services, distributed power generation applications, and carbon-neutral products and solutions. In the traditional GS businesses and in the TI business, R&D activities are strongly focused on decarbonization to support our customers in the changed market environment. Here, the main levers are increasing the efficiency, availability, and flexibility of the equipment used, and reducing greenhouse gas emissions, including increasing the use of hydrogen. At SG, our R&D activities focus on developing the next generation of technologies that will lead to improved and more cost-effective products, solutions, and services. SG aims to develop reliable and efficient wind turbines for both onshore and offshore applications and enable seamless integration into the power grid. This is intended to help utility companies optimize the use of renewable energy. An example of this is the commencement of production of the SG14-236. This new turbine, based on the proven DirectDrive design, targets global offshore markets and delivers 30% more power than its predecessor.

A number of major projects are evidence of the success of our R&D activities in the areas of energy transition and carbon-neutral technologies. Siemens Energy has entered into a joint development agreement with Saudi Aramco to develop a Direct Air Capture (DAC) demonstration unit that was delivered in fiscal year 2024 and shall be commissioned in Dhahran, Saudi Arabia, in the first quarter of fiscal year 2025. In addition, a FEED study (Front-End Engineering and Design Study) for a larger DAC pilot facility in Saudi Arabia is planned, which shall be realized in fiscal year 2025. DAC technology involves the extraction of carbon dioxide (CO_2) directly from ambient air using chemical processes, which can then be stored or utilized to combat climate change.

Industrial process heating is responsible for over 10% of global greenhouse gas emissions. Siemens Energy is developing a low-cost, highly efficient alternative for process heat that produces zero local emissions. Concurrently, the team is designing a full-scale, 7.5MW pilot heater to operate with molten salt. This pilot project, developed in collaboration with our partner AES, is slated to begin testing in summer 2025 and will validate the conversion of a 500MW AES coal power plant to 100% green electricity.

In accordance with our R&D strategy, we allocate our R&D resources selectively towards products and services in market growth segments. Siemens Energy focusses its R&D activities on innovative materials and advanced manufacturing methods. Furthermore, innovations also concentrate on product digitalization, power electronics, software-driven power control, environmentally friendly products and systems, and grid stabilization. Additive manufacturing is another innovation field in which Siemens Energy has long been active. As of September 30, 2024, we can look back on more than 15 years of user experience and development cooperation with, among others, Werner-von-Siemens Centre for Industry and Science e.V., Göteborg Energi and Equinor.

Siemens Energy works with other industry participants and research institutions to advance research projects. Prominent partners include the International Renewable Energy Agency (IRENA), DTU Copenhagen, the Karlsruhe Institute of Technology, the Georgia Institute of Technology, Khalifa University, the University of Sheffield, AGTurbo, and EUTurbines. The four global innovation centers in Berlin, Orlando, Abu Dhabi, and Shenzhen, whose aim is to nurture innovation and accelerate the energy transition, also work with both academic and industrial partners within the framework of a partnership model. About 230 customers from 25 countries and 170 companies have visited the Experience Days in the Innovation Center Berlin in June 2024 showcasing cutting-edge technology and innovative solutions.

2.2 Financial performance system

2.2.1 Financial Framework

Siemens Energy's Financial Framework includes performance indicators (PIs) and targets that we aim to achieve over a three-year period or beyond (mid-term).

The reporting and analysis of PIs are related to our strategic goals. The PIs are designed to help achieve these goals on an operational level and aim to strike a balance between the factors of growth, profitability, and liquidity. They serve as a measure of target attainment for managers and thus can influence Executive Board remuneration. The most important of these PIs (key performance indicators, KPIs) are forecast for the next fiscal year. For more details see **2.7 Report on expected developments**.

Some of the PIs described below are alternative performance measures (APMs), which are not defined or listed in IFRS (non-GAAP measures). We believe that our APMs offer additional and useful information for our stakeholders helping them to assess the business performance of Siemens Energy. Other companies may report similarly named indicators, but they are not always comparable due to possibly different calculation methods.

2.2.2 Growth

Siemens Energy measures, manages, and controls the development of its business volume using comparable growth figures for orders and revenue. The KPI **comparable revenue growth** shows the development of revenue net of currency translation effects that result from the external environment outside of our control and portfolio effects that relate to business activities that are either new to our business or no longer a part of it.

Currency translation effects are the difference between revenue for the current period calculated using the exchange rates of the current period and revenue for the current period calculated using the exchange rates of the comparative period. To calculate the percentage change year-on-year, this absolute difference is divided by revenue for the comparative period.

A portfolio effect arises in the case of an acquisition or a disposal and is calculated as the year-on-year change in revenue resulting specifically from the transaction. To calculate the percentage change, the absolute change is divided by revenue for the comparative period.

At Group level, Siemens Energy focuses on profitable growth and aims to achieve a compound annual growth rate for revenue (based on fiscal year 2024, excluding currency translation and portfolio effects) in the high-single-digit or low-double-digit percentage range by fiscal year 2028.

For orders, we apply the same approach to the calculation of currency translation and portfolio effects as described above. The order backlog is calculated by adding the new orders from the current reporting period to the order backlog at the end of the previous reporting period and then subtracting the revenues realized in the current reporting period. Direct order value adjustments such as modifications, currency translations and portfolio effects are also considered. The book-to-bill ratio is the ratio of orders to revenue.

2.2.3 Profitability

We use the KPI **Profit margin before Special items** to measure the profitability of operating activities of Siemens Energy. To calculate the Profit margin before Special items, Profit before Special items is divided by total revenue.

Profit is defined as income (loss) before income taxes, interest income and expenses, and other financial income (expenses), net, adjusted for amortization of intangible assets acquired in business combinations and goodwill impairments.

To increase comparability year-on-year, we use Profit before Special items. Special items refer to the following topics:

- **Restructuring and integration costs**: Restructuring costs refer to personnel measures leading to severance charges, including costs for terminating service contracts with Siemens Group (Siemens AG and its subsidiaries). Integration costs that occur at SG are related to the integration of companies as well as in the course of the integration of SG into the Group and the corresponding transaction costs.
- **Stand-alone costs** relate to the separation from Siemens Group and the formation of Siemens Energy as an independent enterprise.
- Starting with fiscal year 2024, the definition of **strategic portfolio decisions** was specified more precisely. As a result, Special items relating to strategic portfolio decisions include significant expenses and income in connection with the acquisition, disposal or discontinuation of businesses.

Profit margin before Special items is one of the targets used in determining the short-term variable compensation of the Executive Board.

We aim to achieve a Profit margin for the Group of 10 - 12% for fiscal year 2028. For our Business Areas we aim to achieve Profit margin ranges for fiscal year 2028 as shown below:

Profit margin ranges for fiscal year 2028

Gas Services	12 – 14%
Grid Technologies	13 – 15%
Transformation of Industry	10 – 12%
Siemens Gamesa	3 – 5%

For the purposes of managing and controlling profitability at Group level, we also use **Net income** as a KPI. This KPI is the main driver of Basic earnings per share (Basic EPS), which is defined as net income attributable to shareholders of Siemens Energy AG divided by the weighted average number of shares outstanding without any dilution. Basic earnings per share also influence the long-term variable compensation of the Executive Board.

2.2.4 Liquidity

To provide an assessment of the Group's ability to generate cash we use **Free cash flow pre tax** as a KPI. Free cash flow pre tax of the Group is defined as cash flows from operating activities before income taxes paid, less additions to intangible assets and property, plant and equipment. Free cash flow of the segments constitutes cash flows from operating activities less additions to intangible assets and property, plant and equipment. It excludes financing interest, except for cases where interest on qualifying assets is capitalized or classified as contract costs; it also excludes income taxes and certain other payments and proceeds. Consequently, Free cash flow pre tax demonstrates the extent to which we are able to meet both recurring and specific cash outflows, such as payments for acquisitions, dividends, debt servicing or taxes, etc.

Free cash flow pre tax is one of the targets used in determining the short-term variable compensation of the Executive Board.

2.2.5 Other financial performance indicators

An important aspect of liquidity management is the thorough management of **Operating net working capital**, which is defined as the sum of Trade and other receivables, Contract assets, and Inventories, reduced by the sum of Trade and other payables and Contract liabilities.

To provide an assessment of our ability to generate cash, we use the operational **Cash conversion rate (CCR)** as an ancillary measure. This is defined as the ratio of Free cash flow pre tax to Profit.

Siemens Energy aims for a capital structure according to an investment grade profile, in line with its financial policy. The PI used to assess our capital structure is **Adjusted net debt/ (net cash)**, which is shown in **2.6.3 Financing and liquidity analysis**. We also use the ratio Adjusted net debt to EBITDA. This ratio indicates the approximate number of years that would be needed to cover the Adjusted net debt through EBITDA. The EBITDA measure represents income (loss) before income taxes, before financial result and before amortization, depreciation and impairments.

We aim to provide an attractive return to our shareholders. Under the Siemens Energy Financial Framework, our intention is to propose a **dividend** equal to 40 to 60 % of the Group's Net income attributable to shareholders of Siemens Energy AG. For this purpose, the Net income may be adjusted for extraordinary non-cash effects.

In the mid-term, we use Return on capital employed (ROCE) to manage our capital efficiency. ROCE is calculated as operating income (loss) after tax divided by average capital employed. Average capital employed, as the sum of Adjusted net debt and total equity, is defined as a five-point average of capital employed at the beginning of the reporting period, the respective balances on the quarterly reporting dates and the capital employed at the end of the reporting period. At Group level, we aim to achieve a ROCE of more than 15% for the fiscal year 2028.

2.3 Business performance in fiscal year 2024

2.3.1 Overall assessment by the Executive Board of the current economic situation

Siemens Energy Group can look back on a good performance in fiscal year 2024. We achieved or even exceeded all the financial targets originally set or raised during the year. The key to our success was the focus of our activities on three priorities: delivering on profitable growth, fixing the wind business and maintaining our solid financial foundation.

We have seized the opportunities presented by a positive market environment. The fast-growing electricity market needs a wide range of our products. In the past fiscal year, this benefited our grid technology (GT) and gas turbine (GS) businesses in particular. This has resulted in an unexpectedly strong order intake, which led to a record order backlog of €123 billion for Siemens Energy at the end of the fiscal year. The successful processing of our order backlog, coupled with a dynamic market demand contributed to the significant growth in revenue. Profit before Special items was positive amounting to €0.3 billion (2023: negative €2.8 billion) and Net income was over €1.3 billion (2023: Net loss of €4.6 billion).

We progressed as scheduled with the integration of SG as part of the continuing strategic development of Siemens Energy. We are also on track with the restructuring of our wind power business and committed to achieving the break-even in fiscal year 2026. Following the quality issues in the onshore activities in the prior fiscal year, ongoing analysis revealed no new technical findings. With respect to the ramp-up of our offshore activities, we were able to significantly increase productivity over the course of the past fiscal year.

Siemens Energy has again demonstrated and strengthened its financial foundation with the strong development of Free cash flow pre tax, as well as the progress made with disposals and the accelerated portfolio transformation. This is confirmed by our investment grade rating. Siemens Energy was able to report adjusted net cash again, after adjusted net debt in the prior year.

In the past fiscal year we achieved important progress on our path to becoming a profitable and value-creating company. Going forward, we will continue to focus consistently on the three priorities mentioned above. In the years ahead, we will invest significant funds in our growing power grid business to enable us to benefit from the strong momentum in the electricity sector and achieve market-leading profitability with our core business. Thanks to the substantial order backlog, adjusted net liquidity of Siemens Energy and the positive performance of the past fiscal year, we are continuing along our chosen path with confidence.

Siemens Energy's business performance

As in the prior year, business performance benefited from the ongoing strength in the energy market. The development was driven by the continuing transition of the energy market and, therefore, the increase in demand for electricity. This had a positive effect on the order intake and revenue as well as the Profit development.

At €50 billion, **orders** at Siemens Energy matched the high level of the prior year. With a book-to-bill ratio of 1.46, the prior-year record for the **order backlog** was exceeded once more and even clearly. At year end, the order backlog stood at €123 billion. On a comparable basis, **revenue** of Siemens Energy increased significantly to €34 billion. GS maintained the high level of the prior year, while all other segments improved, led by GT with a substantial increase. The growth in revenue in the Siemens Energy service business followed the overall trend for revenue. Following a loss in the prior year, **Profit before Special items** of Siemens Energy was again positive at €345 million. The prior-year value of negative €2,776 million was caused by a loss at SG, mainly due to quality issues with certain onshore wind turbines. The increase in Profit in the past fiscal year resulted mainly from a sharp reduction in the loss at SG and from the strong operating performance of the other segments. In the past fiscal year, Siemens Energy reported positive Special items of €2,038 million, mainly due to disposals and the accelerated portfolio transformation. As a result, **Profit** grew substantially more than Profit before Special items and amounted to €2,383 million, compared with negative €2,960 million a year earlier.

This resulted in a **Net profit** for Siemens Energy Group of €1,335 million (2023: Net loss of €4,588 million) and correspondingly **Basic earnings per share** of €1.37. See **2.4 Results of operation** for further information.

Due to the Net profit and despite negative Other comprehensive income, equity increased clearly compared with the end of fiscal year 2023. Due to strong execution of backlog, total assets have also increased clearly. The equity ratio at the end of the past fiscal year amounted to 18% (2023: 18%). See **2.5 Net assets, liabilities and equity** for further information.

Free cash flow pre tax at Siemens Energy was €1,859 million in the past fiscal year, compared to €784 million in the prior year. Here, the substantially higher negative contribution of SG was offset by in part sharp increases in the other segments. The development of liquidity, which was substantially influenced not only by the higher Free cash flow pre tax but also by cash inflows from disposals and the accelerated portfolio transformation, and the year-on-year decrease in debt resulted in adjusted net liquidity of €1,951 million at the end of fiscal year 2024 (2023: net debt of €759 million). See **2.6 Financial position** for further information.

Comparison between the actual and forecast course of business

On May 8, 2024, we raised the outlook for comparable revenue growth, the Profit margin before Special items and Free cash flow pre tax for fiscal year 2024 due to the business performance in the first half of the year. The updated outlook was based on adjusted assumptions for revenue

growth in all segments and a higher Profit assumption for GT. In the first half of the fiscal year, the product and service businesses of the GT and TI segments developed better than expected due to the strong market demand. We also anticipated that the revenue of SG would increase substantially more in the second half of the fiscal year than in the first half, especially due to the continuous ramp-up of the offshore activities. We assumed that all segments, with the exception of SG, would exceed the original expectations for Free cash flow pre tax. This was particularly the case for GS and GT, both of which were predicted to incur substantial cash inflows due to customer payments in connection with the continuing order momentum.

On August 7, 2024, the outlook for Free cash flow pre tax was adjusted again due to the good development in the first nine months of the fiscal year and the outlook was raised.

For all targets, we met or exceeded the raised outlook. The main factor that enabled us to exceed the targets for comparable revenue growth, Net profit and Free cash flow pre tax was the persistently favorable market environment for Siemens Energy, which supported growth of both order intake and revenue. This resulted in unexpectedly high advance payments from customers, which had a positive impact on the development of Free cash flow pre tax, while higher volume effects positively influenced the increase in Net profit.

Target achievement 2024	Initial position Fiscal year 2023	Expected development 2024	Target achievement Fiscal year 2024	Evaluation
Comparable revenue growth Siemens Energy	9.9%	3% to 7%		overachieved/ updated
		from May 8, 2024: 10% to 12%	12.8%	overachieved
Profit margin before Special items Siemens Energy	(8.9)%	(2)% to 1%		achieved/ updated
		from May 8, 2024: (1)% to 1%	1.0%	achieved
Net income (loss) Siemens Energy	€(4,588) million	Net income up to €1 billion	€1,335 million	overachieved
Free cash flow pre tax Siemens Energy	€784 million	negative Free Cashflow pre tax of around €1.0 billion		overachieved/ updated
		from May 8, 2024: positive up to €1.0 billion		overachieved/ updated
		from August 7, 2024: positive between €1.0 billion and €1.5 billion	€1,859 million	overachieved

Dividend

Our dividend policy is to distribute 40% to 60% of our Net income attributable to shareholders of Siemens Energy AG. The Executive Board and Supervisory Board have decided not to propose a dividend distribution at the Shareholders' Meeting. This proposal takes account of the conditions of the counter-guarantee agreement made with the German government in December 2023, which stipulate that no dividend may be distributed in fiscal years in which guarantees provided by a consortium of banks and secured by the counter-guarantee have been issued. For fiscal year 2023, no dividend was paid due to the loss reported.

2.3.2 Events and developments responsible for the course of business

2.3.2.1 Macroeconomic development

Gross domestic product and inflation

Global economic activity and trade recovered in fiscal year 2024, with trade boosted by substantial exports from Asia, especially in the technology sector. Additionally, consumer spending, global export activities, government spending, and easing fiscal and monetary policies are key drivers of gross domestic product (GDP) growth in calendar year 2024. However, the global economy remained affected by geopolitical uncertainties caused by the Ukraine war, the conflicts in the Middle East and tensions between China and Taiwan.

Whereas global GDP was 3.3% in calendar year 2023, the forecast for calendar year 2024 is slightly lower at 3.2%. Industrial nations are expected to achieve a growth rate of 1.8%, while emerging and developing economies are projected to grow at a rate of 4.2%.

As a result of the interest rate hikes by central banks in calendar year 2023, inflation in calendar year 2024 is likely to decline to 2.4% in the Eurozone and 3.0% in the United States. However, this would still mean that it remains above the long-term average. For calendar year 2024, global inflation is expected to be around 5.8%, compared with 6.7% a year earlier.

These inflation and GDP growth rates are based on data published by the International Monetary Fund in its World Economic Outlook in October 2024.

Energy market

The growth in demand for electricity increased at a sharply higher rate than in the prior year. Alongside the development of the economy, the transition of the energy market was the main factor in this because replacing fossil fuels with renewable energy is pushing up the demand for installed power generation capacity, despite greater energy efficiency and savings. The accelerated transition of the energy market continued, buoyed by various political and institutional measures such as the U.S. Inflation Reduction Act and the updates to the existing European REPowerEU initiative. These measures are mainly driving investment in clean energy and the necessary transmission systems.

Supply market conditions

In the past fiscal year, the aforementioned geopolitical uncertainties and tensions also impacted global supply chains, influencing prices especially and, to a lesser extent, the availability of materials. Additional pressure came from the ever increasing economic and political tension between the United States and China. Different supply markets were affected to a varying extent.

We continued to observe above-average inflation in the prices for services, while the prices for the different material categories trended both upward and downward. After a tense phase caused by product shortages and long lead times, electronic industry supply chains were characterized by a certain degree of stability. Compared with fiscal year 2023, the prices for steel raw materials such as iron ore and coking coal and for scrap were relatively stable. In the first half of the year, the prices for base materials such as aluminum, copper and nickel rose, peaking at the end of May 2024, but subsequently eased in some cases. After a substantial decline in the prices of critical materials in 2023 because the increase in supply outpaced demand, following a very strong increase in prices in the preceding two years, the fast-growing markets for critical materials remained turbulent in 2024.

Global logistics costs of air, land and sea freight have shown an upward trend after previously being at very low levels. This was partly due to rising demand, and in addition, attacks by Houthi rebels on ships in the Red Sea drove up freight rates and also caused delays in maritime traffic.

The information on the energy and supply markets are based primarily on the data published by the International Energy Agency in its World Energy Outlook Report 2024.

Impact on business performance at Siemens Energy

Similar to the prior year, the general development of the global economy had less impact on business performance at Siemens Energy than the specific situation in the energy market. In fiscal year 2024, our sales markets continued their positive development due to the accelerated transition of the energy market. In particular, our grid business benefited due to orders for grid connections and grid stabilization measures, as did our gas turbines business, among others with orders for efficient gas and steam turbine power plants.

Moreover, Siemens Energy profited from a better overall situation on the supply markets, despite the geopolitical risk situation. Apart from individual cases, there were no significant supply bottlenecks or we were able to restrict the effects of individual material shortages by taking suitable countermeasures. For the most part, increases in materials prices were passed on to customers in new contracts.

We continue to take account of the prevailing risk situation – in addition to the risks from political tensions, the relative scarcity of special raw materials (e.g., rare earths) as well as cybersecurity incidents remain among the biggest supply market risks – and challenges in supply markets through a wide range of monitoring and assessment programs which allow timely countermeasures. A wide range of instruments are used in risk mitigation: long-term supply contracts for standard materials, demand pooling, increasingly consistent risk sharing in supplier and customer contracts through indexing, supplier switching and balanced supplier portfolios with procurement sources in several regions, commodity hedging, etc.

2.3.2.2 Other events influencing the course of business

Continuing strategic development of Siemens Energy and complete integration of Siemens Gamesa

In fiscal year 2024, we pressed ahead with the complete integration of SG as part of the continuing strategic development of Siemens Energy by implementing the following measures:

- As of January 1, 2024, the central and global functions Accounting, Taxes, Treasury and Corporate Finance and parts of Human Resources at SG were integrated into the Siemens Energy structures and processes.
- As of June 1, 2024, this was followed by the integration of the central and global functions Assurance, Communication, Customs, Cybersecurity, EQS (Environment Health and Safety, Quality and Security), Human Resources (remaining parts), IT, Intellectual Property, Legal & Compliance, Logistics, Mergers & Acquisitions, Procurement, and Real Estate.
- We also dissolved the SG Board of Directors as of July 1, 2024.

- On August 1, 2024, the business allocation for SG passed from Christian Bruch to Vinod Philip, who assumed responsibility for the wind power business on the same date.

- Also as of August 1, 2024, we internally placed SG as the fourth Business Area of Siemens Energy, under the name Wind Power, on par with our other Business Areas. In order to create uniform internal reporting structures across all our Business Areas, the finance organization of the Wind Power business – which, unlike the central and global finance functions, served only this business – was integrated into the central Corporate Finance structure.

- In parallel with the changes made at Group level, we are moving ahead step by step with harmonizing regional structures. This envisages the legal combination of SG and Siemens Energy companies worldwide over a period of several years. Local characteristics will be observed, which will affect the duration of implementation. We successfully completed the first legal combination in Canada as of July 1, 2024.

With the aforementioned steps, we are continuing to streamline the structure of Siemens Energy and create the foundation for a holistic market approach. Thanks to the integration measures, synergies were already realized in various areas in the past fiscal year. In addition, SG is receiving additional support to overcome the current challenges described below, in its efforts to return the business to an economically successful path.

Quality issues, higher product costs and ramp-up challenges at Siemens Gamesa

In the previous year, Profit at SG had been affected by substantial negative impacts in connection with quality issues specifically relating to the 4.X and 5.X onshore wind turbines. In addition, there were increased product costs and ramp-up challenges in the offshore area of activities. As expected, SG's Profit was also negatively impacted by these issues in fiscal year 2024. The main reason for this was the effect of higher planned costs on project margins resulting from the quality issues with onshore wind turbines. Added to this were higher expenses in connection with the offshore ramp-up activities.

A group-wide task force with members from all functions and external technical experts was already deployed in the previous year to resolve the quality issues with the 4.X and 5.X platforms. Sales activities were suspended for both onshore platforms. As well as performing technical analyses of the quality issues and implementing remedial measures, further damage limitation and rectification measures were developed during the past fiscal year. In fiscal year 2024, the comprehensive root cause analysis of all the issues reported in the installed fleet revealed no new technical findings. Negative impacts resulted from the regular annual update of the statistical models used to evaluate the entire wind turbine fleet. In contrast, the adjustments to estimates in connection with new and existing customer contracts for large projects had an opposite effect. For the 4.X platform, all necessary steps were completed with the root cause analysis and the validation of solutions for serial production, so that the 4.X platform could be brought back to the market in September 2024. Sales activities for the revised 4.X platform and in future for the 5.X platform will focus on the core markets of Europe and the United States with opportunistic efforts in other countries. SG also concentrated on continuing to optimize the production network for the onshore activities.

In the offshore area, SG is significantly expanding its production facilities in view of the market growth in renewable energies. In this connection, due to the situation on the supply markets (including the personnel market) there were delays in ramping up new and modified capacities in the prior year, among others in France, Germany, Denmark and the United Kingdom. In fiscal year 2024, SG concentrated mainly on overcoming the bottlenecks on the supply markets and ramping up its factories. In addition, the development of a new offshore product generation was concluded; the new SG 14 MW turbine is already on the market.

Optimization of operational structures and processes at Siemens Gamesa

In fiscal year 2024, SG implemented the "Masterplan" for restructuring the wind power business. This plan builds on the Mistral program introduced in 2022. It is a general corporate program and the focal points of its activities are largely influenced by the quality issues at SG described above:

- Diligent clarification and elimination of the quality defects identified in parts of the installed onshore fleet; the findings will also be used as the basis for developing new products.

- Development of a suitable cost structure to restore competitiveness, improvement of product maturity by extending the portfolio cycle, and implementation of an optimized make-or-buy approach.

- Amendment of customer contracts to increase the profitability of new projects and reducing SG's risk exposure on existing projects; in the future, use of a selective bidder process to deliver an order backlog that ensures profitability.

- Serving a smaller number of markets and the corresponding implementation of measures to optimize production, concentrate on core technologies and adjust capacities, which depend on the individual business situations (i.e., expansion in offshore growth areas and reduction in onshore areas outside the core business).

- Support for change with a corporate culture program to improve the collaboration between the business units and departments on the one hand and to push forward with the integration of SG and Siemens Energy on the other hand.

A series of measures were already initiated in the past fiscal year to make progress in these areas. They include redesigning development processes, rules and regulations for a more selective bidder process, price adjustment clauses in customer contracts to reflect changes in the cost of raw materials, and higher margin requirements. In addition, at the start of fiscal year 2025, all service activities will be merged with the other activities of the onshore and offshore business to simplify communication with customers and accelerate the execution of projects.

Disposals and the accelerated portfolio transformation

In the past fiscal year, in order to sustain a solid financial basis and finance investment in profitable growth, Siemens Energy sold parts of its business and streamlined its business portfolio. On aggregate, the corresponding transactions made a substantial contribution to improving Siemens Energy's Profit in fiscal year 2024. Associated impacts on Profit were reported as Special items under Strategic portfolio decisions and totaled €2,179 million. The main transactions were the sale of an 18% stake in Siemens Limited, India, the sale of two other investments accounted for using the equity method (the 32% stake in Windar Renovables, S.A., Spain, the 20% stake in Maschinenfabrik Reinhausen GmbH, Germany) and the sale of Trench Group. In addition, it is planned to sell a 49% stake in Ethos Energy Group Limited, United Kingdom, which means that this equity interest was reported as "held for disposal" at the end of the fiscal year. The signing of the agreement for the sale took place on August 27, 2024. (see **Note 3 Disposals and assets held for disposal** and **Note 4 Interests in other entities** in **3.6 Notes to Consolidated Financial Statements** for further information on these transactions).

2.4 Results of operation

2.4.1 Orders and Revenue

Orders and revenue				Orders				Revenue
	Fiscal year			Change	Fiscal year			Change
(in millions of €)	2024	2023	Actual	Comp.	2024	2023	Actual	Comp.
Gas Services	16,365	12,897	27%	28%	10,796	10,914	(1)%	1%
Grid Technologies	20,901	15,798	32%	34%	9,280	7,180	29%	32%
Transformation of Industry	6,413	5,569	15%	18%	5,109	4,438	15%	16%
therein								
Sustainable Energy Systems	*422*	*286*	*47%*	*47%*	*145*	*82*	*77%*	*77%*
Electrification, Automation, Digitalization	*1,303*	*1,624*	*(20)%*	*(20)%*	*1,425*	*1,151*	*24%*	*23%*
Industrial Steam Turbines & Generators	*1,709*	*1,612*	*6%*	*6%*	*1,530*	*1,427*	*7%*	*8%*
Compression	*3,027*	*2,123*	*43%*	*49%*	*2,069*	*1,810*	*14%*	*17%*
Siemens Gamesa	7,256	16,836	(57)%	(57)%	10,008	9,092	10%	11%
Total segments	**50,935**	**51,100**	**(0)%**	**1%**	**35,193**	**31,625**	**11%**	**13%**
Reconciliation to Consolidated Financial Statements	(708)	(654)	—	—	(727)	(506)	—	—
Siemens Energy	**50,226**	**50,446**	**(0)%**	**1%**	**34,465**	**31,119**	**11%**	**13%**

Orders and revenue (location of customer)	Orders				Revenue			
	Fiscal year		Change		Fiscal year		Change	
(in millions of €)	2024	2023	Actual	Comp.	2024	2023	Actual	Comp.
EMEA	30,391	25,466	19%	21%	18,087	14,775	22%	24%
therein Germany	*9,665*	*7,159*	*35%*	*35%*	*3,144*	*2,532*	*24%*	*24%*
Americas	14,933	16,260	(8)%	(6)%	10,258	9,986	3%	6%
therein U.S.	*10,233*	*11,830*	*(13)%*	*(11)%*	*6,919*	*5,764*	*20%*	*23%*
Asia, Australia	4,902	8,721	(44)%	(45)%	6,120	6,358	(4)%	(3)%
therein China	*1,422*	*1,680*	*(15)%*	*(11)%*	*1,516*	*1,502*	*1%*	*5%*
Siemens Energy	**50,226**	**50,446**	**(0)%**	**1%**	**34,465**	**31,119**	**11%**	**13%**

Orders

Siemens Energy

- Due to a moderate increase in volumes from large orders, order intake exceeded the high prior-year level on a comparable basis.
- This development was driven by the market environment for Siemens Energy, which continued to be influenced positively by the accelerated transition of the energy market and the increase in demand for electricity.
- All segments, with the exception of SG, contributed to the growth in order intake. GT had the most substantial increase.
- Nominal order intake, i.e., including negative currency translation and portfolio effects, decreased slightly.
- The service share of Siemens Energy's order amounted to 33% in fiscal year 2024 (2023: 32%).

Gas Services

- Order intake at GS substantially exceeded the already high prior-year level. In the third quarter of the fiscal year, GS recorded the highest order intake ever in a quarter. The sharp increase in demand from the Middle East including large orders and the significant increase in demand in America were the growth drivers in the past fiscal year.
- Due to negative currency translation and portfolio effects, the nominal increase in orders was lower than comparable growth.
- The percentage growth in order volumes for new units greatly exceeded a substantial increase in the service business. As a result, the share of services in GS order intake declined year-on-year to 69% (2023: 71%).

Grid Technologies

- Due to the positive market environment, GT was able to increase its order intake on a comparable basis by more than one third compared with the prior year. The largest increase was contributed by the product business, which saw sharp growth and benefited from strong global demand, especially in the United States and Germany. The substantial growth of the solutions business was driven mainly by large orders for high-voltage direct current (HVDC) transmission systems in countries including Germany and the United Kingdom. Overall, the volume contributed by large orders sharply exceeded the prior-year level. From a regional perspective, the Americas delivered the largest percentage growth. However, in absolute terms, the biggest increases came from the EMEA region.
- Nominal order intake, including negative currency translation and portfolio effects, also increased substantially.
- The growth in order volume was driven by the new units business as the service business volume at GT is less significant.

Transformation of Industry

- The significant increase in order intake at TI on a comparable basis was supported by a sharp increase in volumes from large orders. With the exception of EAD, which saw a decline in order intake due to delayed project awards, all of the other businesses recorded increases. This growth was spearheaded by CP, which profited from factors such as an increase in large orders, especially from the Middle East which in the past fiscal year mainly drove the growth of the TI business.
- Due to negative currency translation and portfolio effects, the increase in orders on a nominal basis was lower than comparable growth.
- As the growth in the new units business was larger than the increase in the service business, the share of the service business in order volume in the past fiscal year declined to 41% (2023: 42%).

Siemens Gamesa

- As expected, SG experienced a reduction in order intake in fiscal year 2024. This was mainly due to the sharp decline in volumes from large orders. With the exception of one offshore order for the North Sea with a value of almost €2.9 billion, the other orders coming in were of lower values for the fiscal year. In addition, the order development was significantly impacted by the temporary interruption of sales activities for the 4.X and 5.X onshore platforms. The situation was exacerbated by delays in the award of orders and the selective acceptance of orders in the offshore area of the business. For this reason, order intake at SG dropped sharply overall on a comparable basis. All regions and businesses saw declines.
- Including negative currency translation effects, order intake on a nominal basis decreased even more substantially.

- As orders in the service business declined less substantially than in the new units business, the share of the service business in SG order intake in the past fiscal year rose to 29% (2023: 25%).

Regions (location of customer)

- In geographical terms, the increase in order intake by Siemens Energy in the EMEA reporting region more than offset the declines in the two other reporting regions on a comparable basis.
- The substantial growth in **EMEA** was primarily attributable to the order intake in the Middle East, which more than doubled. This was mainly due to various large orders in this region. The largest growth was recorded in Saudi Arabia and the United Arab Emirates, primarily due to the aforementioned large orders received by GS and TI. In addition, GT posted a sharp increase in Germany. SG order intake in EMEA decreased substantially due to the decline in Europe, especially France.
- In the **Americas** reporting region, order intake fell clearly. Significant growth in Latin America was outweighed by a larger decline in absolute terms in North America. For the most part, this was due to the decline in the United States, where the sharp increase at GT, mainly based on its product business, was outweighed by decreases at TI and SG. The drop at SG was particularly substantial because there were no comparable orders to the large orders received in the prior year.
- In **Asia, Australia**, declines in all other segments were offset by an increase at GT. Overall, order intake in the region fell sharply, mainly due to the decline at SG, primarily in Taiwan where there had been sharp growth in the previous year.

Revenue

Siemens Energy

- In fiscal year 2024, revenue of Siemens Energy rose significantly year-on-year on a comparable basis. This development was driven mainly by processing of the order backlog as of the end of the prior year. Moreover, a considerable proportion of revenue in the past fiscal year was attributable to the substantial demand from customers in a favorable market environment. All segments contributed to growth, headed by a substantial increase at GT.
- Due to negative currency translation and portfolio effects, the increase in nominal revenue was lower than on a comparable basis.
- As the absolute growth in revenue in the new units business by far exceeded the development of the service business, the share of revenue accounted for by the service business at Siemens Energy was below the prior-year figure at 35% (2023: 36%).

Gas Services

- Revenue development at GS was based primarily on the successful processing of the order backlog and the strength of the service business. Viewed overall, revenue on a comparable basis rose slightly, with a significant decline in the new units business offset by a clear increase in the service business.
- Due to negative currency translation and portfolio effects, GS revenue on a nominal basis was slightly below the prior-year level.
- As a result of the development of revenue in the new units and service businesses, the share of GS revenue accounted for by the service business increased to 66% (2023: 61%).

Grid Technologies

- On a comparable basis, GT recorded substantial year-on-year growth in revenue. By far the largest contribution came from processing the order intake from prior years. Revenues for all businesses rose, with the highest (absolute) increases recorded by the solutions and product businesses.
- Due to negative currency translation and portfolio effects, the increase in the nominal revenue of GT was slightly lower than comparable growth.
- The service business contributed 6% to GT's revenue in the past year (2023: 7%).

Transformation of Industry

- The significant growth in revenue at TI on a comparable basis was mainly due to the successful processing of the order backlog as well as to the ongoing momentum in the service business. All of the separate businesses posted increases. The highest (absolute) contribution came from EAD, followed by CP and STG.
- The increase in TI's revenue on a nominal basis was lower than on a comparable basis due to negative currency translation and portfolio effects, but the increase was still significant.
- Revenue from the service business grew faster than that from the new units business. The service business therefore contributed 47% to TI's revenue in the past year (2023: 46%).

Siemens Gamesa

- On a comparable basis, revenue of SG was significantly higher than in the prior year. This development was primarily due to processing the order backlog. In addition, the production ramp-up in the offshore area had a tangible effect. The increase also reflected the reduced basis for year-on-year comparison, due to the reversal of revenue in connection with the quality issues in the onshore area and the circumstances associated with the ramp-up of the offshore activities (in both cases, see **2.3.2 Events and developments responsible for the course of business**). Significant growth in the service business exceeded the increase in the Wind Turbines business.
- Revenue growth on a nominal basis was lower than the comparable growth due to negative currency translation and portfolio effects.
- The service business contributed 24% to SG's revenue in the past year (2023: 23%).

Regions (location of customer)

- On a comparable basis, revenue in the EMEA and Americas reporting regions increased; it decreased moderately in Asia, Australia.
- Led by substantial growth at GT and GS, all segments contributed to the substantial increase in the **EMEA** reporting region.
- The clear increase in revenue in the **Americas** resulted mainly from the substantial growth at GT, primarily in the United States. Taken together with the increases at TI and SG, this more than offset a significant decline at GS in the region, notably in Latin America.
- In **Asia, Australia**, revenue remained moderately below the prior-year figure. The pattern of development mirrored that seen in the Americas reporting region. Whereas the revenue of GS decreased substantially year-on-year, mainly due to the decline in the Asia-Pacific area, all other segments recorded increases.

Book-to-bill ratio and order backlog

- Due to the aforementioned developments, the book-to-bill ratio at Siemens Energy was 1.46. The decline compared with the prior-year figure of 1.62 resulted from the fact that revenue increased more than order intake. The book-to-bill ratio of all segments except SG was clearly above 1, with GT above 2 due to the substantial increase in order intake. By segment, the book-to-bill ratio was 1.52 (2023: 1.18) at GS, 2.25 (2023: 2.20) at GT, 1.26 (2023: 1.25) at TI and 0.72 (2023: 1.85) at SG.
- At the end of the fiscal year, the order backlog of Siemens Energy reached a new record of €123 billion (2023: €112 billion). The growth was affected by negative currency translation effects. The order backlog amounted to €45 billion (2023: €41 billion) at GS, €33 billion (2023: €23 billion) at GT and €8 billion (2023: €7 billion) at TI. At €38 billion, the SG order backlog was below the record prior-year figure of €42 billion.
- The service share of the Siemens Energy order backlog was 48% at the end of the fiscal year (2023: 51%).

2.4.2 Profitability

(in millions of €, earnings per share in €)	Fiscal year 2024	2023	Change
Profit Siemens Energy before Special items	**345**	**(2,776)**	**n/a**
Gas Services	1,021	1,035	(1)%
Grid Technologies	976	545	79%
Transformation of Industry	380	229	66%
Siemens Gamesa	(1,781)	(4,347)	59%
Reconciliation to Consolidated Financial Statements	(251)	(238)	(6)%
Profit margin Siemens Energy before Special items	1%	(9)%	10 p.p.
Gas Services	9%	9%	0 p.p.
Grid Technologies	11%	8%	3 p.p.
Transformation of Industry	7%	5%	2 p.p.
Siemens Gamesa	(18)%	(48)%	30 p.p.
Special items (for details see table below)	**2,038**	**(184)**	**n/a**
Profit Siemens Energy	**2,383**	**(2,960)**	**n/a**
Gas Services	1,018	1,053	(3)%
Grid Technologies	1,197	520	130%
Transformation of Industry	392	210	87%
Siemens Gamesa	(1,734)	(4,439)	61%
Reconciliation to Consolidated Financial Statements	1,509	(303)	n/a
Profit margin Siemens Energy	7%	(10)%	16 p.p.
Gas Services	9%	10%	0 p.p.
Grid Technologies	13%	7%	6 p.p.
Transformation of Industry	8%	5%	3 p.p.
Siemens Gamesa	(17)%	(49)%	32 p.p.
Amortization of intangible assets acquired in business combinations and goodwill impairments	(258)	(297)	13%
Financial result	(303)	(130)	(134) %
Income (loss) before income taxes	**1,822**	**(3,387)**	**n/a**
Income tax gains/ (expenses)	(487)	(1,202)	59%
Net income (loss)	**1,335**	**(4,588)**	**n/a**
Basic earnings per share	1.37	(5.47)	n/a

Profit and Profit before Special items

Siemens Energy

- The improvement in Profit at Siemens Energy was mainly due to the following material factors and developments. The situation at SG stabilized due to the clear progress made, in line with expectations, in overcoming both the quality issues in the onshore area and the ramp-up problems in connection with the offshore activities (see **2.3.2 Events and developments responsible for the course of business**). While the situation at SG had a considerable impact on Siemens Energy in the past fiscal year, the negative Profit decreased sharply. In addition, disposals and the accelerated portfolio transformation (see **2.3.2 Events and developments responsible for the course of business**) made a considerable contribution to Profit that was reported as a Special item under Strategic portfolio decisions and totaled €2,179 million. Profit was also influenced substantially by higher revenue and a substantial improvement in the operating performance of the other segments. Alongside the easing of supply markets and economies of scale resulting from higher volumes, process improvements especially contributed to a substantial improvement in project execution and increased cost efficiency. This development was offset by a sharp increase in license fees for the Siemens brand and significant one-time costs in connection with legacy projects at GS and TI. Due to these factors, Profit at Siemens Energy turned around from negative €2,960 million in the prior year to positive €2,383 million in the past fiscal year.
- As well as disposals and the accelerated portfolio transformation, Special items were impacted above all by the decline in stand-alone costs, the positive follow-on effects of strategic portfolio decisions and lower integration costs at SG.
- Due to the positive Special items, the improvement in Profit before Special items of Siemens Energy was much smaller than the improvement in Profit. The same applied to the development of the Profit margin before Special items.

Gas Services

- GS was moderately behind the strong prior-year Profit. The higher contribution from the service business and the improved operating performance almost offset a negative project-related one-time effect of a low-triple-digit million-€-amount due to a legal case in connection with a legacy gas turbine project in the United States.
- On aggregate, Profit included negligible negative Special items. In the prior year, positive Special items resulted from changed estimates in connection with restructuring and cost-reduction measures.
- Due to the development of Special items, Profit before Special items of GS almost matched the prior-year level. The corresponding margin matched the prior-year level.

Grid Technologies

- Profit at GT more than doubled, with the product business making the largest contribution and the solution business recording a sharp increase. In addition, Profit benefited from the gain of the sale of the stake in Maschinenfabrik Reinhausen GmbH (see **2.3.2 Events and developments responsible for the course of business**) that was reported as a Special item. The improvement in Profit was mainly due to a clearly improved operating performance, the increased volume and the higher margin for the processed order backlog compared with the prior year. Added to this were favorable currency effects.
- The positive Special items resulted mainly from the aforementioned gain from a sale, offset by expenses in connection with the sale of Trench Group (see **2.3.2 Events and developments responsible for the course of business**).
- Due to the positive Special items, the improvement in Profit before Special items of GT was slightly smaller than the improvement in Profit. The same applies to the corresponding margin, which increased by three percentage points before Special items.

Transformation of Industry

- Profit at TI almost doubled compared with the prior-year period, mainly due to the increased contribution to Profit from the CP business, followed by EAD and STG. The investment-intensive future business SES reduced substantially its negative Profit margin from the prior-year level, as the business is ramping up. Viewed overall, the segment's Profit growth was attributable to higher revenue, especially in the service business, improved pricing and higher margins for the processed order backlog and, above all, an improved operating performance. A one-time charge in connection with a legacy project had an offsetting effect.
- The negative Special items in the prior year were offset by aggregated positive Special items in the past fiscal year due to positive follow-on impacts relating to Russia (reported under Strategic portfolio decisions).
- Due to the development of Special items, Profit before Special items of TI grew slightly less than Profit. The same applies to the corresponding margin, which increased by two percentage points before Special items.

Profit margin Transformation of Industry before Special Items

	Fiscal year		
	2024	2023	Change
Transformation of Industry	**7.4%**	**5.1%**	**2.3 p.p.**
therein			
Sustainable Energy Systems	(64.0)%	(86.4)%	22.3 p.p.
Electrification, Automation, Digitalization	7.5%	5.8%	1.7 p.p.
Industrial Steam Turbines & Generators	10.3%	10.2%	0.1 p.p.
Compression	10.1%	4.7%	5.3 p.p.

Siemens Gamesa

- Profit at SG improved sharply, however was negative as expected. In the prior year, negative impacts on Profit totaled around €2.7 billion in connection with quality issues with onshore turbines and ramp-up problems in the offshore area of activities (see **2.3.2 Events and developments responsible for the course of business**). The main factors in Profit in the past fiscal year were the project margins impacted by higher planned costs because of the aforementioned quality issues and the increased product costs and challenges associated with the ramp-up of the offshore activities. In addition, the regular annual update of the statistical models used to evaluate the entire wind turbine fleet had a negative effect. The gain from the sale of the stake in Windar Renovables, S.A., which was reported as a Special item (see **2.3.2 Events and developments responsible for the course of business**), and the adjustments to estimates in connection with new and existing customer orders for large projects had an opposite effect.
- The negative Special items due to restructuring and integration costs in the prior year were offset by aggregated positive Special items in the past fiscal year. This was primarily due to the aforementioned gain from a sale, as well as declining restructuring and integration costs.
- Due to the developments described above, SG's Profit before Special items and the corresponding margin also improved sharply.

Reconciliation to Consolidated Financial Statements

- Reconciliation to Consolidated Financial Statements includes items which management does not consider to be indicative of the segments' performance, mainly group management costs (management and corporate functions), other central items, Treasury activities as well as eliminations. Other central items include Siemens brand fees, corporate services (e.g., management of the Group's real estate portfolio, except SG), corporate projects, centrally held equity interests and other items.
- The positive year-on-year change in the result of Reconciliation to Consolidated Financial Statements was attributable to the gain of €1,728 million from the sale of the stake in Siemens Limited, India, that was reported as a Special item, and the effect on Profit from the planned sale of Ethos Energy Group Limited (see **2.3.2 Events and developments responsible for the course of business**).
- Following negative Special items in the prior year, this gain from a sale resulted in overall positive Special items in the past fiscal year. The decline in stand-alone costs also had a favorable effect.
- The Profit before Special items declined year-on-year.

Net income (loss) and basic earnings per share

- In the past fiscal year, the negative Financial Result increased sharply. This was primarily due to expenses in connection with discounted non-current provisions; income was reported in this connection in the prior year. Added to this was a temporarily negative development in the fair values of transaction-related derivatives. The higher negative Financial Result was offset by a significant decline in the amortization of intangible assets acquired in business combinations as well as goodwill impairments.
- Overall, the positive swing in Income (loss) before income taxes was due to the developments responsible for the increase in Profit at Siemens Energy as described above.
- The tax rate of Siemens Energy in the past fiscal year was 27% (2023: negative 35%). It reflected losses without corresponding tax relief at SG, with offsetting effects from tax-free gains in connection with disposals and the accelerated portfolio transformation as well as from tax income due to the integration of SG.
- Due to the developments described above, Siemens Energy Group reported a Net income in the past fiscal year, following a Net loss a year earlier. This is reflected accordingly in the development of basic earnings per share.

Siemens Energy Special items

(in millions of €)	Fiscal year 2024	2023	Change
Restructuring and integration costs	(129)	(130)	(0)%
Gas Services	*(17)*	*27*	*n/a*
Grid Technologies	*0*	*(8)*	*n/a*
Transformation of Industry	*(13)*	*(4)*	*200%*
Siemens Gamesa	*(44)*	*(92)*	*(52)%*
Reconciliation to Consolidated Financial Statements	*(56)*	*(52)*	*7%*
Stand-alone costs	(12)	(60)	(80)%
Gas Services	*—*	*(14)*	*n/a*
Grid Technologies	*—*	*(6)*	*n/a*
Transformation of Industry	*—*	*(6)*	*n/a*
Siemens Gamesa	*—*	*—*	*n/a*
Reconciliation to Consolidated Financial Statements	*(12)*	*(34)*	*(66)%*
Strategic portfolio decisions	2,179	6	>200%
Gas Services	*14*	*4*	*>200%*
Grid Technologies	*221*	*(11)*	*n/a*
Transformation of Industry	*25*	*(8)*	*n/a*
Siemens Gamesa	*91*	*—*	*n/a*
Reconciliation to Consolidated Financial Statements	*1,828*	*21*	*>200%*
Siemens Energy Special items	**2,038**	**(184)**	**n/a**
Gas Services	*(3)*	*17*	*n/a*
Grid Technologies	*221*	*(25)*	*n/a*
Transformation of Industry	*12*	*(19)*	*n/a*
Siemens Gamesa	*48*	*(92)*	*n/a*
Reconciliation to Consolidated Financial Statements	*1,761*	*(66)*	*n/a*

2.5 Net assets, liabilities and equity

(in millions of €)	Sep 30, 2024	Sep 30, 2023	Change
Total current assets	**30,079**	**26,567**	**13%**
therein			
Cash and cash equivalents	6,363	4,588	39%
Trade and other receivables	7,072	6,537	8%
Contract assets	4,190	4,153	1%
Inventories	9,792	8,961	9%
Total non-current assets	**20,795**	**21,339**	**(3)%**
therein			
Goodwill	9,461	9,982	(5)%
Other intangible assets	2,811	3,169	(11)%
Property, plant and equipment	6,220	5,724	9%
Total assets	**50,874**	**47,907**	**6%**

(in millions of €)	Sep 30, 2024	Sep 30, 2023	Change
Total current liabilities	**33,471**	**31,599**	**6%**
therein			
Short-term debt and current maturities of long-term debt	479	1,591	(70)%
Trade and other payables	6,293	6,658	(5)%
Contract liabilities	18,867	15,984	18%
Current provisions	3,163	2,901	9%
Total non-current liabilities	**8,040**	**7,520**	**7%**
therein			
Long-term debt	3,287	3,190	3%
Provisions for pensions and similar obligations	600	519	16%
Provisions	2,880	2,682	7%
Total equity	**9,364**	**8,787**	**7%**
Total liabilities and equity	**50,874**	**47,907**	**6%**

- As of September 30, 2024, **total assets** of Siemens Energy increased clearly year-on-year. The changes in both assets and liabilities mainly reflected the positive development of the operating business. This was offset by considerable negative currency translation effects.
- The growth in **assets** was primarily due to the development of current assets resulting from the increase in cash and cash equivalents and in the asset components of the operating net working capital. Non-current assets decreased, mainly as a result of negative currency translation effects, while declines in connection with disposals and the accelerated portfolio transformation were offset primarily by an increase in property, plant and equipment due to higher investment. As a result, the share of non-current assets in total assets decreased to 41% (2023: 45%). The negative currency translation effects totaled €1.5 billion. The increase on the **liabilities side** was mainly due to the rise in liability components of the operating net working capital and the growth in equity. This was offset primarily by a decline in debt.
- The substantial increase in **cash and cash equivalents** was mainly attributable to the positive Free cash flow and cash inflows from disposals and the accelerated portfolio transformation (see **2.6.2 Analysis of cash flow and investments**).
- In the **operating net working capital**, a clear increase in the **asset components** was accompanied by an even more pronounced rise in the **liability components**. The significant increase in contract liabilities, mainly due to advance payments on projects, exceeded by far the growth in inventories, especially in connection with the high business volume, and in trade and other receivables. As a result, the negative operating net working capital increased further as of the fiscal year-end to minus €4,107 million (2023: minus €2,991 million). This was mainly due to the development at GT, offset by the year-on-year decrease in negative operating net working capital at SG. The operating net working capital (as a percentage of revenue) was minus 12% at fiscal year-end (2023: minus 10%).
- **Other current assets** increased to €1,295 million (2023: €1,058 million), largely due to the increase in prepaid expenses and other tax receivables.
- **Goodwill** decreased, mainly as the result of foreign currency translation and due to disposals.
- **Other intangible assets** decreased. Amortization, depreciation and impairments relating to intangible assets acquired in business combinations and negative currency translation effects which more than offset the additions to internally generated technology for product development at SG.
- **Property, plant and equipment** increased clearly in connection with investments in technical plant and machinery, as well as advance payments made and plants under construction.
- **Investments accounted for using the equity method** decreased substantially due to disposals and the accelerated portfolio transformation, primarily in connection with the disposal of the stakes in Siemens Limited, India, and Maschinenfabrik Reinhausen GmbH.
- The sharp increase in **deferred tax assets** and **deferred tax liabilities** to €692 million (2023: €488 million) and €415 million (2023: €296 million), respectively, resulted primarily from the capitalization of deferred tax assets previously not accounted for in connection with the integration of SG and from higher deferred tax liabilities in connection with the accounting of large long-term projects.
- At the end of the fiscal year, **short-term debt** and **long-term debt** of Siemens Energy amounted to €3,767 million (2023: €4,781 million) and thus decreased substantially year-on-year. This was primarily attributable to the redemption of securities under the commercial paper program and to the (short-term) syndicated bridge facility that was concluded to finance the acquisition of the outstanding shares in Siemens Gamesa Renewable Energy S.A. (see **2.6.3 Financing and liquidity analysis**).
- The rise in **other current liabilities** to €3,681 million (2023: €3,375 million) was primarily due to personnel-related liabilities.
- The **provisions for pensions and similar obligations** increased significantly, mainly due to a decline in the weighted average discount rate (see also **2.6.3 Financing and liquidity analysis** and **Note 13 Post-employment benefits/ Provisions for pensions and similar obligations** in **3.6 Notes to Consolidated Financial Statements**).
- Provisions increased to a total of €6,044 million (2023: €5,583 million), mainly due to the establishment of short-term and long-term provisions for warranties at SG.
- **Equity** of Siemens Energy increased clearly due to the rise in the portion of equity attributable to the shareholders of Siemens Energy AG. This resulted from Net income, offset by negative Other comprehensive income.
- The equity ratio (equity to total assets) at the fiscal year-end amounted to 18% (2023: 18%).

Off-balance-sheet commitments

At the end of the fiscal year, the maximum liability amount – resulting from credit guarantees, contractual performance guarantees for third-party services and other guarantees (including for compensation obligations in connection with the sale of business units) – was a nominal €208 million (2023: €303 million).

2.6 Financial position

2.6.1 Principles and objectives of financial management

- The main objectives of Siemens Energy's financial management are to ensure the financial sustainability of Siemens Energy and its affiliated companies, an investment-grade rating and support for the business by providing corporate finance solutions. The protection of the Group's long-term financial stability and flexibility includes the solvency of Group entities at any time, the reduction of financial risks and a balanced capital structure.
- The Treasury & Corporate Finance organization of Siemens Energy manages treasury and financing activities, including guarantees, letters of credit, insurance, pensions, sale of receivables, leasing, and supply chain finance.
- Certain treasury and financing activities are managed centrally by Treasury & Corporate Finance to the extent reasonable to ensure transparency and cost efficiency, e.g., liquidity and financing of the Group, bank relations, treasury infrastructure, as well as management of financial risks, pensions, pension service providers, insurances (broking, advisory, claims management and provider management) and guarantees.
- The centralized coordination and management of market risks (foreign currencies, interest rates, commodities), bank partners, insurance and pensions ensures a comprehensive risk management approach. Treasury is the central partner for derivative hedging transactions entered into by Siemens Energy, as far as this is permissible under local foreign exchange regulations. Treasury is therefore largely responsible for entering into external hedging transactions with banks.
- The provision of Treasury infrastructure involves cash pooling, among other things. A centralized cash management system enables the use of excess liquidity at individual Group entities to cover the financing requirements of other Group entities, which reduces both the volume of external financing and interest expenses on Group level.
- The external financing of Siemens Energy comes primarily from a group of international banks and from the capital markets. The principle of internal financing applies within the Group. Wherever possible and economically feasible, the financing requirements of subsidiaries are covered via internal loan arrangements. In addition and as necessary, local credit facilities are agreed with banks to reflect legal, fiscal or other requirements, provided this is economically feasible.
- For further information on the extent and management of financial risks and on financing, see **Note 21 Financial risk management** in **3.6 Notes to Consolidated Financial Statements**.

2.6.2 Analysis of cash flow and investments

	Fiscal year		
(in millions of €)	**2024**	**2023**	**Change**
Free cash flow pre tax by segment			
Gas Services	1,393	970	44%
Grid Technologies	2,228	1,236	80%
Transformation of Industry	411	192	114%
Siemens Gamesa	(2,123)	(1,604)	(32)%
Reconciliation to Consolidated Financial Statements	(50)	(10)	<(200)%
Free cash flow pre tax of Siemens Energy	**1,859**	**784**	**137%**
therein Additions to intangible assets and property, plant and equipment	*(1,514)*	*(1,228)*	*(23)%*
Cash flows from			
Operating activities	2,889	1,622	78%
Investing activities	1,250	(1,633)	n/a
Financing activities	(2,258)	(1,132)	(100)%

Free cash flow pre tax

- Compared with fiscal year 2023, **Free cash flow pre tax** of Siemens Energy rose sharply. This is attributable to the sharp increase in cash inflows from operating activities (excluding income taxes paid), to €3,372 million from €2,012 million in the prior year. This was offset by a substantial increase in cash outflows for additions to intangible assets and property, plant and equipment in fiscal year 2024.
- The increase in **cash inflows from operating activities** was primarily due to the increased Profit. An opposing effect came from the development in the change in other assets and liabilities (from plus €2,059 million in the prior year to plus €859 million in the past fiscal year). The high prior-year figure resulted from the increase primarily in warranty-related and onerous loss provisions at SG (see **2.3.2 Events and developments responsible for the course of business**). In addition, the year-on-year decline of €892 million (2023: €1,318 million) in net cash inflow resulted from the change in **operating net working capital**. The main opposing developments were as follows. While there were cash inflows to contract assets in the prior year, cash outflows were recorded in the past fiscal year in connection with project execution, especially at SG. The same applied to trade and other payables. Moreover, cash inflows for contract liabilities declined moderately compared with the high prior-year figure. They were offset by lower cash inflows from the change in trade and other receivables.
- The substantial increase in the **additions to intangible assets and property, plant and equipment** was attributable to higher investment in all segments and the Reconciliation to Consolidated Financial Statements. GS and GT recorded the biggest increases in percentage terms, while SG saw the largest absolute growth in investment. As a result, clearly more than half of Siemens Energy's investments in the prior fiscal year were made at SG.
- In the past fiscal year, **investments** by GS mainly related to maintenance and replacement, especially of tools and equipment. Investments were also made in connection with dual-sourcing measures to mitigate procurement risks. Moreover, GS also invested in expanding capacities for large gas turbines to safeguard its market share in a positive environment. The substantially higher GT investment budget focused mainly on expanding production capacities for certain products, especially in North America and Western Europe. Investments were also made in the context of selected research and development projects such as the further technological development and production preparation of an SF_6-free product portfolio and of transformer solutions for renewable energy. TI concentrated its increased investment on the development and manufacture of sustainable technologies, mainly electrolyzers. It also focused on replacement investments to maintain availability and increase productivity and energy efficiency, particularly on tools and equipment for deployment in both the new units and service businesses. Most of SG's investments related to the offshore area of activities. As well as investing in internally generated technology, capital was mainly invested in tools and equipment to transport and install nacelles and rotor blades, as well as in connection with capacity expansions for the production ramp-up.
- At the segment level, there were sharp increases in Free cash flow pre tax in all segments offset by a substantial decline at SG. Alongside higher investments, the main factor at SG was the change in operating net working capital with a prior-year cash inflow offset by a cash outflow in the past fiscal year. By contrast, the decline in negative Profit did not play a significant role because prior-year Profit had no cash effect due to the level of warranty-related and onerous loss provisions. GT achieved the most substantial (absolute) improvement in Free cash flow pre tax, mainly based on its increased Profit and the larger positive impact of the cash effect due to the change in operating net working capital. GS also recorded a sharp increase but the difference compared with the prior year was mainly due to the change in other assets and liabilities. TI more than doubled Free cash flow pre tax, mainly due to the improved Profit.

Additions to intangible assets and property, plant and equipment

	Fiscal year		
(in millions of €)	2024	2023	Change
by Segments			
Gas Services	241	162	49%
Grid Technologies	197	142	39%
Transformation of Industry	71	62	13%
Siemens Gamesa	818	724	13%
Reconciliation to Consolidated Financial Statements	188	138	36%
Additions to intangible assets and property, plant and equipment Siemens Energy	**1,514**	**1,228**	**23%**
by Regions			
EMEA	1,211	1,010	20%
Americas	183	126	45%
Asia, Australia	120	92	31%

Cash flows from investing activities

- Cash inflows in the **cash flows from investing activities** mainly resulted from disposals and the accelerated portfolio transformation (see **2.3.2 Events and developments responsible for the course of business**), which were reflected in the disposal of parts of its business and investments. At €2,079 million, by far the largest cash inflow was contributed by the sale of the stake in Siemens Limited, India. This and the sales of Maschinenfabrik Reinhausen GmbH, Windar Renovables, S.A. and Trench Group resulted in a total cash inflow of €2,886 million (for information about these transactions, see also **Note 3 Disposals and assets held for disposal** and **Note 4 Interests in other entities** in **3.6 Notes to Consolidated Financial Statements**). This was offset by the substantial increase in additions to intangible assets and property, plant and equipment.

Cash flows from financing activities

- Cash outflows in the **cash flows from financing activities** increased sharply. In the prior year, cash inflows and cash outflows in connection with the acquisition of the outstanding shares in Siemens Gamesa Renewable Energy S.A. mainly offset each other. The cash outflow for the acquisition (€2,933 million) was offset by cash inflows from a capital increase (€1,243 million), the placement of a green bond (€1,490 million) and the issuance of short-term debt instruments (€426 million). In the past fiscal year, the main items were the redemption of notes and bonds (€426 million), higher cash outflows from the change in debt of €1,262 million (2023: €940 million) and higher interest payments of €332 million (2023: €192 million).
- In both fiscal years, there was a cash outflow of €130 million for the buyback of shares. Further information about the share buyback can be found in **Note 15 Equity** in **3.6 Notes to Consolidated Financial Statements**.

2.6.3 Financing and liquidity analysis

Debt, credit facilities and capital structure

Debt

- The debt structure was largely unchanged compared with the prior year. As of September 30, 2024, most of the debt consisted of notes and bonds, primarily the green bond with an aggregate nominal amount of €1,500 million placed in April 2023 and loans from banks.
- Securities of €432 million issued under the Siemens Energy commercial paper program and outstanding at the end of the prior year were redeemed in the past fiscal year. For this reason, the full amount of the program (€3,000 million) was available as of September 30, 2024.
- In the prior year, Siemens Energy had a fully drawn syndicated bridge facility of €620 million to finance the acquisition of all outstanding shares in Siemens Gamesa Renewable Energy S.A. This was repaid in full in December 2023.
- Further information about the Company's debt can be found in **Note 12 Debt** in **3.6 Notes to Consolidated Financial Statements**.

Credit facilities

- In February 2024, Siemens Energy entered into a new syndicated revolving credit facility of €4,000 million for general corporate purposes. This facility has a term of five years with two one-year extension options that can be exercised after one and two years at the discretion of the lenders. The credit facility was unused at the end of the fiscal year.
- The two syndicated revolving credit facilities of €3,000 million (Siemens Energy) and €2,000 million (SG) that were unused at the end of the prior year were terminated in February 2024.

Capital structure ratio

Net debt/ (net cash) (in millions of €)	Sep 30, 2024	2023
Short-term debt and current maturities of long-term debt[1]	479	1,591
Plus: Long-term debt[1]	3,287	3,190
Total debt	**3,767**	**4,781**
Cash and cash equivalents	6,363	4,588
Total liquidity	**6,363**	**4,588**
Net debt/ (net cash)[2]	**(2,596)**	**193**
Plus: Provisions for pensions and similar obligations	600	519
Plus: Credit guarantees	45	47
Adjusted net debt/ (net cash)	**(1,951)**	**759**
EBITDA	**3,636**	**(1,742)**
Adjusted net debt to EBITDA[3]	**n/a**	**n/a**

[1] Includes the present values of the coupons of the mandatory convertible note amounting to €53 million as of September 30, 2024 (2023: €103 million).

[2] As of September 30, 2024, the net cash position is shown with a negative sign.

[3] The ratio cannot be interpreted in a meaningful way if the sign becomes negative. Therefore, no values are shown.

- Siemens Energy's objective is to maintain an investment grade rating. This aim was achieved in both the prior and the past fiscal year. On July 10, 2023, the rating was reduced to BBB- with stable outlook. At the end of November 2023, the outlook of the long-term issuer rating was changed from "stable" to "negative". The investment grade rating BBB- remained unchanged.
- The change from net debt in the prior year to net cash as of September 30, 2024, was mainly due to the increase in cash and cash equivalents because of cash inflows from operating and investing activities; cash outflows for financing activities were largely in connection with the redemption of short-term debt (see explanations of both above).

Financing of pension plans and similar commitments

- Siemens Energy provides post-employment defined benefit plans or defined contribution plans to almost all employees in Germany and to most employees outside Germany.
- The majority of pension obligations at Siemens Energy derive from three countries: Germany, the United States and the United Kingdom.
- As of September 30, 2024, the **defined benefit obligation (DBO)** amounted to €3,012 million (thereof: Germany €1,678 million, United States €721 million, United Kingdom €206 million and other countries €407 million).
- The **fair value of plan assets** was €2,473 million (thereof: Germany €1,500 million, United States €498 million, United Kingdom €208 million and other countries €267 million).
- This led to **underfunding** of €558 million (2023: €384 million). The year-on-year increase was mainly due to a decline in the weighted average discount rate.
- Further information can be found in **Note 13 Post-employment benefits/ Provisions for pensions and similar obligations** in **3.6 Notes to Consolidated Financial Statements**.

2.7 Report on expected developments

2.7.1 Overall macroeconomic development

Gross domestic product, inflation and interest rates

Global GDP growth of 3.2% is forecasted for the calendar year 2024, and growth at the same level of 3.2% is also expected for the calendar year 2025. One of the main reasons for the subdued outlook is the continued restrictive monetary policy of the central banks, which is intended to contain high inflation. A slowdown in monetary easing, particularly in the United States and other industrial nations, could increase volatility in the financial markets and call the GDP growth forecast into question given the ongoing uncertainties surrounding global economic development. The ongoing conflicts in Ukraine and the Middle East remain among the greatest risks to the global economy.

The GDP in the eurozone is expected to grow by 0.8% in the calendar year 2024. Lowered key interest rates, among other things, will contribute to a gradual recovery. GDP growth in the eurozone is expected to rise to 1.2% in the calendar year 2025. This development is likely to be driven by growth in Spain and France, while economic output growth in Germany should have a dampening effect. GDP growth in the United States is expected to fall from 2.8% in calendar year 2024 to 2.2% in calendar year 2025. In China, a moderate slowdown is expected with GDP growth of 4.8% in calendar year 2024 and 4.5% in calendar year 2025.

Despite a continued decline compared to the peak in 2022, inflation has remained at an above-average level in the 2024 calendar year to date. Consumer prices in the eurozone are expected to rise by 2.0% in the calendar year 2025, which represents a decline compared to the expected figure of 2.4% for 2024. For the United States, an inflation rate of 1.9% is expected for the calendar year 2025, following a forecast of 3.0% in calendar year 2024.

The future development of key interest rates is likely to depend largely on these inflation forecasts. The European Central Bank and the Federal Reserve in the United States are aiming to reduce inflation to 2% and keep it at this level. The European Central Bank has started to cut key interest rates from mid-2024. Interest rates were also lowered in the United States in calendar year 2024. Nevertheless, the still high cost of financing will continue to hold back investment and consumer spending.

The forecasts for GDP and inflation are based on data published by the International Monetary Fund in its World Economic Outlook in October 2024.

All estimates presented in this chapter regarding future developments and trends in the market are subject to uncertainties, particularly with regard to general geopolitical risks, especially the consequences of the war in Ukraine and developments in the Middle East, increased inflation, the continued comparatively high and volatile prices for fossil fuels, risks on the supply markets and energy security as well as the associated effects.

Energy market

The current trends in the energy sector are expected to continue. Economic and population growth is increasing primary energy demand worldwide. Decarbonization and technological development in particular are increasing the degree of electrification and thus the demand for electricity. The increasing use of low-carbon power generation technologies and digitalization are also increasing the need for structural modernization of the electrical infrastructure.

The demand for electricity from data centers, including those that support applications for artificial intelligence, is expected to increase further in the fiscal year 2025 and beyond. This growth is anticipated on a global scale, especially in markets with a strong focus on data centers, such as the United States.

Against this backdrop, and based on the expectations for macroeconomic development outlined above, we assume that demand for electricity will continue to rise in fiscal year 2025. As a result, we expect a stable market environment for GS. For GT, we expect the expansive market development to continue in fiscal year 2025 due to the modernization and expansion of the existing transmission infrastructure, in particular through capacity expansions and grid connections of new power generation projects in the area of renewable energies. SG's market environment is likely to remain positive in connection with the energy transition. We also expect the energy markets outside the electricity sector to develop positively, which should benefit TI. This applies in particular to the pipeline, downstream and other oil and gas-related markets. Other global developments, such as the increasing demand for energy for electromobility and for heating and cooling, as well as local initiatives such as Saudi Arabia Vision 2030, will open up additional sales potential for our business areas in fiscal year 2025 and beyond.

Supply market conditions

For fiscal year 2025, it can be assumed that the commodity markets will be influenced primarily by developments in China. On the one hand, due to the declining growth of the Chinese economy, but also because of the trade war between the US and China due to tensions over Taiwan, among other things. The development of the war in Ukraine and the conflicts in the Middle East are also likely to have a significant impact. Finally, increased decarbonization is likely to have an impact on the supply situation for certain materials.

Demand for critical minerals recorded strong growth in fiscal year 2024 and this trend is expected to continue in fiscal year 2025. Driven by the increased interest in critical minerals, new legal regulations are being introduced worldwide, which are likely to affect the price and availability of the respective materials. Although the market is currently well supplied, the recent fall in prices has put pressure on investments in new projects to increase capacity. In this respect, the price and availability risks for critical materials have increased. An upward trend is expected for aluminum

and copper prices due to rising global demand, which is also influenced by the US Federal Reserve's interest rate policy. We anticipate lower price volatility and a more stable market situation for steel. Overall, material shortages cannot be ruled out due to the current geopolitical context and possible additional trade barriers, e.g. for rare earths and semiconductors. Siemens Energy is carefully monitoring the situation in order to be able to react promptly to market and price developments and, above all, to ensure availability.

The information on the energy and supply markets is essentially based on data published by the International Energy Agency in its World Energy Outlook 2024.

Expected impact on the business development of Siemens Energy

We assume that the general economic development of the global economy in fiscal year 2025 will have less of an impact on our business performance than the situation on the energy market like the last two fiscal years. For fiscal year 2025, we assume generally favorable conditions in the relevant market environment for Siemens Energy. The expected strong growth in electricity consumption and the requirements of the energy transition will necessitate investments in energy infrastructure, which will benefit all of Siemens Energy's businesses. We assume that Siemens Energy will be able to benefit from this situation in a similar way to the previous year.

We also assume that the situation on the supply markets will generally continue to ease and that the risk of bottlenecks in materials will continue to decrease. However, we expect general cost increases, partly due to higher real wages. We assume, however, that we will be able to adequately take this into account. In particular, we assume that Siemens Energy will be able to pass on most of the effects of inflation in new contracts with customers or offset them through productivity improvements.

2.7.2 Strategic development, including solving operational issues

We expect to make further progress with the integration of SG in fiscal year 2025, underpinning the intended cost synergies of up to €300 million yearly within three years post full integration.

With respect to the quality issues at onshore, we expect further stabilization of the onshore platforms 4.X and 5.X, including the lifting of the temporary suspension of sales activities for the 5.X platform, in course of fiscal year 2025. In the offshore activities, we expect to see further progress in the expansion of its production facilities in response to the market growth in renewable energies. At the beginning of fiscal year 2025, all service activities will be merged with the other activities of the onshore and offshore business, which will enable us to focus even more strongly on customer benefit. Independently of this, we will continue to implement the SG "Masterplan" that was implemented in the past fiscal year, primarily to restore SG's overall competitiveness (see **2.3.2 Events and developments responsible for the course of business**).

With regard to disposals and the restructuring of the portfolio, we assume that, following the sale of a significant portion of our stake in Siemens Limited, India, we will be able to complete the legal restructuring of the businesses in India. In fiscal year 2025, a spin-off of the energy business of Siemens Limited, India, is intended. We expect a non-cash profit from this, which, among other things, depends on the performance of the shares of Siemens Limited, India, traded on the stock exchange and which will be reported as a special item under Strategic portfolio decisions. In addition, we expect to complete the sale of Ethos Energy Group Limited, United Kingdom, in the next fiscal year.

Our forecast is based on the assumption that our plans and measures for the strategic further development of Siemens Energy will be implemented successfully.

2.7.3 Expected business development of Siemens Energy

Expected revenue and profit development of the segments

The **GS** segment expects order intake to normalize in a stable market environment after an exceptionally strong past fiscal year with unusually high orders, particularly projects in the Middle East. Orders in fiscal year 2025 are expected to be below the level of the past fiscal year. The book-to-bill ratio is likely to decline but remain above 1. It is assumed that revenue development will follow the strong order intake of previous years. GS expects comparable revenue growth of 7% to 9% for fiscal year 2025, with around €10 billion of the order backlog at the end of the past fiscal year expected to result in revenue. GS plans to achieve an improved Profit margin before Special items of between 10% and 12%, primarily due to higher margins in the new units business and productivity improvements.

GT expects to continue leveraging the current market dynamics in fiscal year 2025, partly due to the accelerated transformation of the energy market, and to remain on its growth path. The order volume should at least reach the high level of the past fiscal year. GT anticipates comparable revenue growth of between 23% and 25%. It is assumed that around €10 billion of the order backlog at the end of the past fiscal year will result in revenue, therefore accounting for the vast majority of the anticipated revenue. GT expects that the higher margin of the order backlog to be processed and cost degression effects will positively impact Profit development, and it anticipates a Profit margin before Special items of between 10% and 12%.

Despite the unusual large orders at CP in the past fiscal year, which led to an exceptionally strong order intake for **TI** overall, TI expects to reach the high level of fiscal year 2024 again in view of the expected market environment. It is assumed that primarily the growth of CP, due to the above-mentioned large orders, will again lead to a double-digit increase in revenue. TI expects comparable revenue growth in a range of 11% to 13%. Overall, around €4 billion from the order backlog at the end of the past fiscal year is expected to turn into revenue in fiscal year 2025. Productivity

improvements and degression effects should result in higher cost efficiency and hence an improvement in Profit. TI expects to achieve a Profit margin before Special items of 8% to 10% in fiscal year 2025.

The business performance of the **SG** segment in fiscal year 2025 is likely to be determined by the existing internal challenges. Despite the resumption of sales activities for the 4.X turbine in the past fiscal year, order intake in the onshore area is expected to be significantly impacted by the aftereffects or continuation of the temporary interruption of sales activities for the 4.X and 5.X turbines. However, due to developments in the offshore area of activities, order intake is expected to grow. Revenue is likely to be affected by the sharply decreased order intake in the past fiscal year, and the expected growth in the offshore activities will not be able to compensate for the decline in onshore activities. Therefore, SG expects comparable revenue growth of negative 9% to negative 5% for fiscal year 2025. Around €9 billion from the order backlog at the end of the past fiscal year is expected to convert to revenue. The development of Profit is likely to continue to be significantly influenced by the follow-on effects of quality issues in the onshore area and cost increases related to the ramp-up in the offshore area, although these costs are expected to decrease significantly compared to the past fiscal year. SG expects a negative Profit before Special items of around €1.3 billion for fiscal year 2025.

Outside the segments, we expect a significantly increased negative Profit for the **Reconciliation to Consolidated Financial Statements** compared to the level of fiscal year 2024. This is likely to reflect higher costs for central corporate functions, largely related to the increased business volume, as well as the absence of profit contributions from divested centrally held investments.

Expected revenue and profit development of Siemens Energy

Based on the expected development of business volume in our segments, we anticipate comparable revenue growth of between 8% and 10% for **Siemens Energy** in the fiscal year 2025. As of September 30, 2024, our order backlog amounted to €123 billion. We expect that the processing of our order backlog will support the recognition of total revenue of around €33 billion.

Against the backdrop of the expected profitability development for our segments, we anticipate a Profit margin before Special items for Siemens Energy between 3% and 5% in the fiscal year 2025.

We assume that the expected profitability will result in Siemens Energy achieving a Net income to be around break-even in the fiscal year 2025. This excludes assumed positive Special items subsequent to the demerger of the energy business from Siemens Limited, India.

Expected financing and planned capital expenditures

In the fiscal year 2025, we expect a Free cash flow pre tax up to €1 billion for **Siemens Energy**. This expectation reflects our assumptions regarding the development, particularly in order intake and Profit of the segments GS, GT and TI. We assume that customer payments and an improved Profit will support the development of Free cash flow pre tax, which is expected to be constrained by the cash outflow at SG – although sharply decreased compared to the previous fiscal year and mainly related to the development of Profit and the cash impact of provisions recorded for quality issues – and by sharply increasing investments in intangible assets and property, plant, and equipment.

In addition, we do not expect any significant cash inflows from disposals or the restructuring of the portfolio, nor from financing activities, outside of Free cash flow pre tax in the fiscal year 2025. Overall, this is likely to result in a decline in net liquidity of Siemens Energy compared to the level at the end of the past fiscal year. Nevertheless, we assume that we will also have a solid financial profile in the fiscal year 2025, which will provide sufficient financial flexibility for all business requirements of the next fiscal year. In doing so, we continue to aim for a capital structure that is in line with an investment grade rating.

Overall assessment of expected developments

We assume that in fiscal year 2025, no impulses will come from the general economic development and that our business activities will be determined primarily by our direct market environment, as in the past fiscal year. We continue to assume overall favorable conditions for all our businesses. Regarding SG, our approach is clearly defined, and we expect to successfully continue on our path to reach break-even in fiscal year 2026. The following forecast for Siemens Energy is derived from this:

	Initial position Fiscal year 2024	Expected development 2025
Comparable revenue growth Siemens Energy Group	12.8%	8% to 10%
Profit margin before Special items Siemens Energy Group	1.0%	3% to 5%
Net income (loss) Siemens Energy Group	€1,335 million	Net income around break-even excluding assumed positive Special items subsequent to the demerger of the energy business from Siemens Limited, India
Free cash flow pre tax Siemens Energy Group	€1,859 million	up to €1 billion

The outlook for Siemens Energy does not include any charges in connection with legal and regulatory matters. The forecast is based on the assumptions for our Business Areas set out below.

Overall assumptions per Business Area

- **GS** expects comparable revenue growth of 7% to 9% and a Profit margin before Special items of 10% to 12%.
- **GT** plans to achieve comparable revenue growth of 23% to 25% and a Profit margin before Special items of 10% to 12%.
- **TI** assumes comparable revenue growth of 11% to 13% and a Profit margin before Special items of 8% to 10%.
- **SG** expects comparable revenue growth of negative 9% to negative 5% and a negative Profit before Special items of around €1.3 billion.

Actual developments may differ from our forecasts due to the risks and opportunities described in **2.8 Report on the internal control and risk management system and material risks and opportunities** or in the event that our assumptions do not materialize.

2.8 Report on the internal control and risk management system and material risks and opportunities

2.8.1 Key features of the internal control and risk management system and statement on the appropriateness and effectiveness of these systems

Internal control and risk management systems are designed to address risks appropriately, not to eliminate them completely. They do not provide absolute assurance but do provide a degree of assurance that the Company's business objectives are being met and that material risks are being appropriately addressed and mitigated. This includes, for example, that the Company's assets are safeguarded, that financial reporting is reliable, and that legal or regulatory requirements are complied with. The internal control and risk management system is based on an ongoing process aimed at identifying and prioritizing risks to the achievement of business objectives and at addressing these risks effectively and efficiently. This includes the establishment of control objectives, the regular review of risks and control objectives, and the review of the achievement of control objectives and the adequacy and effectiveness of significant controls designed to mitigate risk. Any projections of any evaluation of the appropriateness and effectiveness of an internal control and risk management system to future periods are subject to the risk that controls may become inadequate because of changes in circumstances, or that the degree of compliance with the policies or procedures may deteriorate.

The core elements on which our internal control and risk management system is based include:

- Enterprise Risk Management (ERM): In addition to conducting operational risk management activities across the entire company, our ERM system provides a standardized methodology for identifying significant company-wide risks and for recording information about their impact and likelihood of occurrence. Furthermore, there are clear responsibilities and procedures for managing these risks. The identification and management of risks are embedded in the day-to-day management of our business. Our ERM system is based on the COSO standard "Enterprise Risk Management - Integrating with Strategy and Performance" (2017) and is adapted to the requirements of Siemens Energy AG by structuring the organization's objectives into five categories: strategic, operations, financial, compliance and climate.

- Risk and Control Framework (RCF): The Risk and Control Framework is a central point of reference for all control objectives which are set by the process owners to safeguard against risks identified centrally at Group level and which are generally binding worldwide. It provides a clear and consistent list of control objectives, enabling management and employees to exercise appropriate control in their respective areas of responsibility. Based on the globally accepted COSO standard (Committee of Sponsoring Organizations of the Treadway Commission) "Enterprise Risk Management - Integrating with Strategy and Performance" (2017), the control objectives are organized into the four categories of strategic, operations, financial and compliance to enable the organization to break down its control environment into manageable aspects and work towards achieving its control objectives.

- Internal Control Process (IC Process): An integrated IC process is in place that considers the core elements of the internationally acknowledged "Internal Control - Integrated Framework" (2013) developed by COSO to review the effectiveness of internal controls in relation to strategic, operations, financial and compliance control objectives. The control objectives contained in the Risk and Control Framework form the basis for the annual assessment. Any internal control deficiencies identified through this process are evaluated and appropriate remediation actions are initiated by management. Among other things, this process also includes sustainability-related control objectives, such as the correct presentation of sustainability-related financial data as defined by the EU Taxonomy Regulation. The results of the overall internal control process are regularly reported to the Executive Board.

- Internal certification process: A quarterly certification process is in place that requires the management of all companies and selected units to confirm internally the accuracy, completeness and compliance of financial reporting for their respective areas of responsibility. This process forms the basis for the responsibility statement of the Executive Board of Siemens Energy AG and for the representation letters of the Executive Board of Siemens Energy AG to the external auditor.

- Compliance Management System: Our Siemens Energy Compliance System is divided into three levels of action: prevent, detect and respond. Preventive measures include compliance risk management, policies and procedures, and comprehensive employee training and counseling. Siemens Energy has implemented a whistleblower system and appointed an ombudsperson to receive information about compliance violations. To identify and resolve misconduct, Siemens Energy conducts internal investigations, compliance risk analyses, in-process controls and regular and ad-hoc audits. Appropriate responses follow any detected misconduct. The compliance management system is continuously updated to adequately address risks arising from changes in market conditions and business activities.

The Executive Board is supported in its duties as part of the internal control and risk management system by, among others, the following departments and committees with defined responsibilities:

- Risk and Internal Control supports the Executive Board in its responsibility to establish an integrated internal control and risk management system and to monitor its appropriateness and effectiveness. This includes reporting by the head of Risk and Internal Control quarterly to the Executive Board and at least biannually to the Audit Committee of Siemens Energy AG on matters relating to the implementation, execution and monitoring of an appropriate internal control and risk management system, and thus the promotion of risk awareness, risk management and control strategies company-wide.

- Internal Audit performs independent reviews of specifically selected audit areas based on an audit plan of identified risk areas of Siemens Energy AG and its affiliates. It reports regularly to the Executive Board and Audit Committee.

- Legal and Compliance ensures, among other things, the consistent implementation of the Siemens Energy Business Conduct Guidelines and the related guidelines and controls on anti-corruption, antitrust law, data protection, anti-money laundering and export control. The Group Compliance Officer reports quarterly to the Executive Board and the Audit Committee of Siemens Energy AG on key figures and essential elements of the compliance management system, including significant developments in compliance cases. As part of the compliance management system, compliance-related control objectives have been defined in the Risk and Control Framework to support the organization in reporting and managing corresponding risks and in monitoring the effectiveness of internal control in this area.

- The Ad-hoc Committee examines whether, under certain circumstances, information/ facts could have a significant impact on the share price of Siemens Energy AG and therefore need to be disclosed by means of an ad-hoc announcement and prepares such mandatory information/ facts subject to disclosure for release.

All management of reporting segments, selected Siemens Energy corporate functions and management (or equivalent positions) of entities reporting to the aforementioned are responsible for complying with the control objectives, including all relevant guidance, and for establishing and maintaining an effective internal control and risk management system within their respective areas of responsibility.

In reviewing the appropriateness and effectiveness of our internal control and risk management system and in formulating the comments set forth below, the Executive Board considered a variety of information, including reports on the results of the accounting-related internal control system, reports on the results of the IC process and reports on the results of the ERM process, internal audit reports, reports on current issues identified by our legal and compliance departments, confirmations of the appropriateness and effectiveness of the risk management and control system by global process owners and reporting segments including SG (in-control statements) and confirmations of the implementation of all Group requirements for the risk management and control system of fully consolidated companies (in-control certifications).

Based on the above information, it is investigated whether a critical internal control weakness could exist. Critical internal control weaknesses are either individual internal control weaknesses that have been identified with critical effects or groupings of similar internal control weaknesses that may have critical effects in their entirety. A single definition of a critical internal control weakness is not possible. Deciding whether a particular weakness or group of weaknesses falls into this category is a matter of judgment. Factors in our judgment include whether a weakness could seriously impair or prevent the achievement of a key business objective (strategic, operations, financial, compliance, climate), or whether a weakness could seriously damage the organization's reputation, or whether a weakness could have a material effect on accounting.

In the ERM process, we operate a systematic management of risks and opportunities which is integrated into the entire business organization. The Executive Board defines the business strategy and thus the Group-wide risk policy and risk tolerance with the aim of managing risks and opportunities appropriately. This includes the execution of mitigation measures to reduce the potential impact of risks on the Company to an appropriate level.

We are working on the ongoing advancement of the internal control and risk management system in order to eliminate identified weaknesses and ensure the continuous improvement of processes and systems. Based on the results of our internal control and risk management system, no matters have come to our attention that cause us to believe that our company-wide internal control and risk management system is not appropriate or that our internal control and risk management system was not operating effectively as of September 30, 2024.

2.8.2 Key features of the accounting-related internal control and risk management system

The overarching objective of our accounting-related internal control and risk management system 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 Energy Group as well as the Annual Financial Statements of Siemens Energy AG as the parent company are prepared in accordance with all relevant accounting regulations.

Our accounting-related internal control system is based on the COSO framework "Internal Control - Integrated Framework" (2013). In addition, our ERM process is linked to our internal control system via the COSO standard "Enterprise Risk Management - Integrating with Strategy and Performance" (2017). Both systems complement each other.

At the end of the fiscal year, our management assesses both the appropriateness and the effectiveness of the control system in place based on all available information. For this purpose, we have a standardized procedure under which necessary controls are defined, documented in accordance with uniform standards, and tested regularly for their appropriateness and effectiveness.

Our Consolidated Financial Statements are prepared on the basis of a centrally issued conceptual framework which primarily consists of uniform financial reporting guidelines in line with the International Financial Reporting Standards (IFRS) and a chart of accounts. For Siemens Energy AG and other companies within the Siemens Energy Group that are required to prepare financial statements in accordance with German Commercial Code, (Handelsgesetzbuch), this conceptual framework is complemented by mandatory regulations specific to the German Commercial Code. The need for adjustments to the conceptual framework due to regulatory changes is analyzed on an ongoing basis. Accounting departments are informed quarterly about current topics and deadlines from an accounting and closing process perspective.

The base data used in preparing our financial statements consists of the closing data reported by the operations of Siemens Energy AG and its subsidiaries. The preparation of the closing data of most of our entities is supported by external shared services organizations. Furthermore, other accounting activities, such as governance and monitoring activities, are usually bundled on a regional level. In certain cases, such as valuations relating to post-employment benefits, we use external experts. The reported closing data is 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 training. As a fundamental principle, based on materiality considerations, the "four eyes" principle applies, and financial statement information must undergo certain authorization processes. 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. The manual and system-based control mechanisms referred to above generally also apply when reconciling the IFRS closing data to the Annual Financial Statements of Siemens Energy AG according to German Commercial Code.

On a quarterly basis, we execute an internal certification process. Management at different levels of our organization, supported by confirmation from the management of entities under their responsibility, confirms the accuracy of the financial data that has been reported to Siemens Energy's corporate headquarters and compliance with the relevant regulatory framework.

Our internal audit function is set up to review, among other things, financial reporting integrity, the effectiveness of the control and risk management systems, and adherence to our compliance policies. Regular reports are submitted to the Executive Board and Audit Committee on the results of the audits and the agreed remedial action in the event of findings.

The Audit Committee is integrated into our internal control and risk management system. In particular, it oversees accounting and the accounting process and the effectiveness of the internal control, risk management and internal audit systems.

In addition, it is possible to submit accounting-related reports when there are complaints relating to compliance, e.g., anonymously and directly via the "Speak Up" system or via an ombudsperson.

2.8.3 Risk management

Basic principles of risk management

Our risk management policy stems from a philosophy of increasing the enterprise value while managing risks and opportunities adequately. As risk management is an integral part of how we plan and execute our business strategies, our Group-wide risk management policy is set by the Executive Board. Our organizational and accountability structure requires the respective management of our organizational units to implement risk management programs that are tailored to their specific industries and responsibilities, while being consistent with the overall policy.

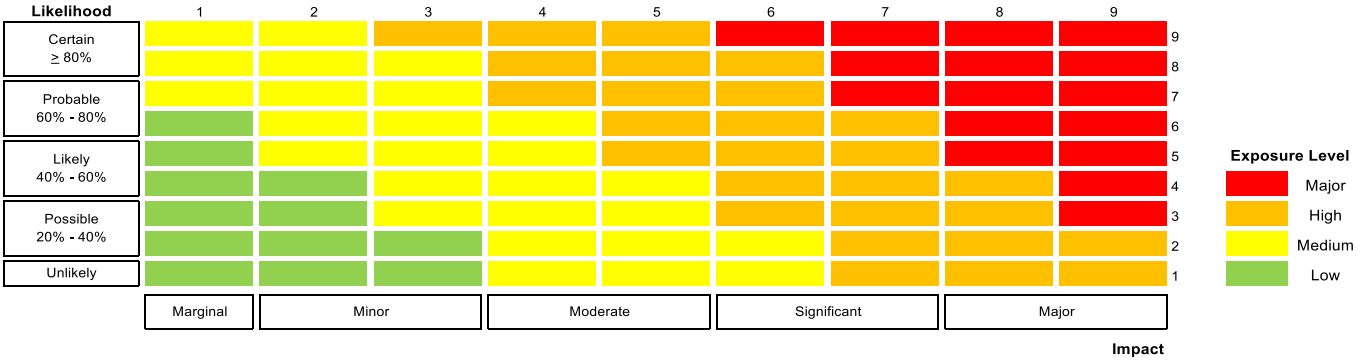
Enterprise risk management process

The risk management system at Siemens Energy builds on a comprehensive, interactive, and management-oriented enterprise risk management (ERM) approach that is integrated into the organization and addresses both risks and opportunities. Our ERM approach is based on the COSO Standard "Enterprise Risk Management – Integrating with Strategy and Performance" (2017) and has been adapted to Siemens Energy requirements. The frameworks connect the ERM process with our financial reporting process and our internal control system. They consider a company's strategy, the efficiency and effectiveness of its business operations, the reliability of its financial reporting, compliance with relevant laws and regulations as well as the transition to a decarbonized economy and the physical impacts of climate change to be equally important.

Our ERM process aims for early identification, evaluation, and response to risks and opportunities that could materially affect the achievement of our strategic, operational, financial, compliance, and climate-related objectives. The time horizon is three years, and up to 30 years for climate-related risks and opportunities. We take a net risk approach, addressing the risks and opportunities remaining after the execution of existing control measures.

If risks have already been considered in plans, budgets, forecasts or the Consolidated Financial Statements (e.g., as a provision or risk contingency), they are incorporated with their financial impact in the individual entity's business objectives. As a consequence, only additional risks arising from the same subject (e.g., deviations from business objectives, different impact perspectives) are considered. In order to provide a comprehensive view of our business activities, risks and opportunities are identified in a structured way, combining elements of both top-down and bottom-up approaches in order to ensure that potential new risks and opportunities are discussed at the management level and included in the subsequent reporting process, if found to be relevant.

All risks and opportunities are systematically evaluated using predefined scale values for their impact and likelihood of occurrence. Both determinations then result in a calculated overall exposure score for each risk or opportunity. We distinguish between the four exposure levels "Low", "Medium", "High" and "Major":



The impact can be evaluated qualitatively or quantitatively. In the case of a qualitative assessment, various perspectives such as business objectives, reputation and regulatory matters are taken into account. In the case of a valuation using quantitative equivalents, the individual impact classes correspond to the profit ranges of €0 to €10 million (Marginal), €10 million to €40 million (Minor), €40 million to €80 million (Moderate), €80 million to €125 million (Significant) and over €125 million (Major).

In principle, there is no threshold below which a risk is not recorded. The decision to report a risk therefore lies with the management. In this context, the spread of the impact scale is an expression of our risk appetite, as is the method of calculating the overall exposure score, in which an overweighting of the impact compared to the likelihood of occurrence is applied so that extreme events i.e., risks with a high impact but a very low likelihood, are also taken into account adequately.

Our ERM process is designed to ensure that the Executive Board and the Supervisory Board are fully informed about significant risks in a timely manner. In order to allow for a meaningful discussion at Group level, this organization aggregates individual risks and opportunities of similar cause-and-effect nature into broader risk and opportunity topics. This aggregation naturally results in a mixture of risks/ opportunities, including those with a primarily qualitative assessment and those with a primarily quantitative risk/ opportunity assessment. Accordingly, we do not adopt a purely quantitative assessment of risk/ opportunity topics. Thematic risk and opportunity assessments then form the basis for the evaluation of the company-wide risk and opportunity situation.

Reporting generally follows quarterly cycles but we complement this periodic reporting with an ad-hoc reporting process, which aims to escalate critical issues in a timely manner. Responsibilities are assigned for all relevant opportunities and risks, with the hierarchical level of responsibility depending on the significance of the respective risk or opportunity. Our general response strategies with respect to risks are avoidance, transfer, reduction, or acceptance of the relevant risk. Our general response strategy with respect to opportunities is to fully "seize" the relevant opportunity.

We regularly review our risk-bearing capacity, which is defined as the maximum risk position that the company can bear without endangering its continued existence. Our overall risk position is compared with internal and external risk-bearing capacity indicators, such as our liquidity reserves, in order to identify at an early stage any developments that could jeopardize our ability to continue as a going concern.

Risk management organization and responsibilities

To oversee the ERM process and further drive the integration and harmonization of existing control activities to align with legal and operational requirements, the Executive Board established a risk management and internal control organization, headed by the Head of Risk Management and Internal Control. The latter reports quarterly to the Executive Board on matters relating to the implementation, operation, and oversight of the risk and internal control system and assists the Executive Board in reporting to the Audit Committee of the Supervisory Board. Our ERM aims to identify relevant business risks throughout the organization as potential deviations from corporate objectives. The management of each of our defined organizational reporting units is responsible for providing all relevant risks for the respective unit. Sustainability-related risks and opportunities are analyzed as part of our specific ERM process as well as other operational processes, e.g., in the area of environment, health, and safety (EHS), resulting in, for example, property risk engineering analyses for detailed site-specific EHS risks (e.g., fires, floods, storms). Key risks currently being assessed in ERM include disruptive decarbonization trends that will impact our portfolio over several years or even decades, including the risk of not meeting all the requirements of ESG (environment, social, governance) standards related to, among other things, climate change.

2.8.4 Risks

Below we describe the risks that could have a material adverse effect on our business situation, financial position (including effects on assets, liabilities, and cash flows), results of operations, and reputation. In order to increase the clarity and transparency of the risk report, the individual risks are grouped into categories of similar risks. In addition, the order in which the risks are presented in each of the five categories reflects the currently estimated relative exposure based on impact and likelihood for Siemens Energy associated with these risks and thus provides an indication of the risk's current importance to us. We limit ourselves to the presentation of those risks that carry the highest exposure levels, "Major" or "High". After each risk title, the exposure level is shown in brackets, making it possible to classify the risks across the main categories. 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 reportable segments.

Strategic risks

Political instability and conflicts (High) - As we are a globally operating Group, the imposition of barriers to free trade would negatively impact production costs and productivity along our value chains, as well as influencing the investment activity levels of our customers and partners. Our business prospects and the execution of awarded projects may be negatively affected by political instability or international conflicts. For example, we may be forced to reorganize, reduce, or terminate business operations in geographical areas where our employees, partners or subcontractors would otherwise be subject to unacceptable economic or personal risks, e.g., due to ongoing or threatened civil unrest, terror attacks, or wars. Some of our current and planned projects and service activities are in regions that are exposed to a higher risk in this respect e.g., in the Middle East and in Ukraine. Furthermore, our business prospects or the processing of our order backlog could be adversely affected by changes in the political and economic environment, for example as a result of trade wars, punitive tariffs, sanctions, protectionist measures or boycotts. Main risks in this area are the Middle East conflicts, which could significantly delay or jeopardize the execution of planned projects and contracts, and in the South China Sea the tensions between the People's Republic of China and the Republic of China (Taiwan) as well as the ongoing trade conflict between the USA and the People's Republic of China, both of which carry a high risk potential for the introduction of trade-restricting barriers and disruptions to relevant supply chains. The global setup of Siemens Energy with operations in almost all relevant economies, our wide range of offerings with varied exposures to business cycles, and our balanced mix of business models (e.g., equipment, components, systems, software, services and solutions) help us to absorb impacts from adverse developments in any single market. We continuously monitor all relevant geopolitical developments to identify and assess potential risks to the Siemens Energy business in good time. With the Ukraine war and the resulting significant impact on our business, not only in this region, we are intensifying our monitoring capabilities and linking their results even more closely to our daily business activities.

Technology/ portfolio gap compared with competitors (High) - The markets in which we operate are experiencing rapid and significant changes due to the introduction of innovative and disruptive technologies to meet the accelerating demand for sustainable (green) energy. We may not be successful in developing a portfolio of technologically advanced products, services, and solutions within the planned timeframe or at prices that allow our new developments to be competitive when compared with similar products, services and solutions available in the market. Continuously creating new intellectual property and actively managing our intellectual property portfolio are key measures which enable us to secure our technological position. The product competitiveness of our SG segment could suffer if its portfolio optimization plans and new product launches or developments encounter delays or are no longer feasible, if ramp-up activities face challenges, or if its products fail to meet market expectations from a performance perspective. This could lead to reduced activities in certain markets. In our rotating equipment business, there is a risk that we may be unable to keep pace with the rapid changes in the market across the entire gas turbine portfolio given the high development costs and uncertainties around the technologies required in the future. Furthermore, in our GS, GT and TI business areas, related new technologies and portfolio elements are urgently required for the global decarbonization path whereas economic viability for our clients is highly dependent on market conditions, which are handled differently by countries in the various regions of the world. There is also a risk that certain markets do not mature to a relevant size, and we may not be able to recoup our investments.

Impairment of goodwill and other assets (High) - A significant share of our total assets as presented in our consolidated statements of financial position reflects the carrying amounts of goodwill and other intangible assets. Certain factors, including deterioration in earnings or failure to achieve mid-term margin targets, changes in valuation parameters, adverse market conditions and adverse changes in applicable laws or regulations, may cause impairment losses on goodwill and other intangible assets if they have a lasting negative impact on our business. The amount of any quantified impairment must be expensed immediately as a charge to our results of operations. We may not realize the full value of our goodwill or other intangible assets in the future. Any determination of impairment of goodwill or other intangible assets could have a material adverse effect on our business, financial position, and results of operations. This risk is partly influenced by external factors we have no influence on e.g., interest rates, or macroeconomic development. Internally, our business areas strive to adhere to their respective business plans in order to mitigate the risk. Further, a regular annual impairment testing is taking place as well as monitoring on a quarterly basis, and it is regularly verified if there is sufficient buffer for the goodwill.

Increasing requirements from ESG (environment, social, governance) standards (High) - We meet ESG standards and expectations regarding environmental (e.g., climate change and circular economy), social (e.g., diversity and human rights), and governance topics (e.g., corporate supply chain due diligence). In light of a rapidly changing environment we are constantly identifying, assessing and reviewing all relevant requirements to meet the growing stakeholder and public expectations on ESG standards, which could potentially impact our reputation. The risk of not fulfilling ESG requirements (e.g., upcoming sustainability regulations, public and investor requirements) or not achieving good ESG ratings might negatively impact our operational performance (e.g., exclusion from tenders, less investor involvement, financial and/ or reputational damage). This could be further impacted by the risk that insufficient resources are assigned to the ESG requirements to address increasing demand from political regulations (e.g., EU Taxonomy, CSRD (Corporate Sustainability Reporting Directive), Supply Chain Due Diligence Act) and/ or from financial markets and public supporting programs (e.g., export financing). With the potential for ESG standards to impact our ability to realize projects (potentially

impacting our business, reputation, financial position, and results of operations), we create transparency on ESG performance for stakeholders by disclosing our sustainability report and participating in relevant ESG ratings. Furthermore, we have defined a process for identifying critical projects early to ensure mitigation actions are identified and implemented in a timely manner. In addition, we also face other ESG related risks such as a risk of insufficient funding or procurement of financing instruments and services (including securities, hedging instruments, or insurance) for specific projects or our whole business operations, due to high ESG requirements. These are predominantly driven by financial institutions' internal and include industry-wide or policy-driven prerequisites for all dimensions of ESG, for example, the lending criteria of the European Investment Bank ("EIB") or the European Union's taxonomy (Regulation (EU) 2020/852) which established a framework to facilitate sustainable investment (also known as "EU Taxonomy").

Market and price development (High) - The worldwide markets for our products, solutions and services are highly competitive. Factors such as pricing, product and service quality, product development and introduction time, customer relationships, financing terms and the ability to adapt quickly to shifts in market demands and trends play an important role in this market environment. Changing energy prices and availability may lead to shifts in investments and alter the demand for our products and solutions. These developments are influenced by climate-related market transitions, macro-economic changes, and unforeseen geopolitical developments like the Russian war in Ukraine or the Middle East conflicts. Inflation may require that we increase prices to cover our own costs and maintain profit levels or it may increase the risk of lower profitability if we are unable to increase our prices. We face strong established competitors and new competitors from emerging markets (e.g., Asia), where many of them have developed their offerings locally and are now expanding globally. Industry fields in which we operate may undergo consolidation, which may result in stronger competition or a change in our relative market position. In the future, our SG segment may face additional competition from other manufacturers that might decide to enter global wind turbine markets. This may result in price decreases and/ or a loss of market share for our SG segment. In our service business, we face competition from major established players and non-OEM suppliers targeting our turbine service business, which is a major source of profitable revenue. Some of these developments may prompt us to revise our strategy and product portfolio and there can be no assurance that such realignment will yield the intended results. If the Group is unable to compete effectively against its competitors or achieve satisfactory prices in negotiations with customers, this could have a material adverse effect on our business, financial position, and results of operations. We address these risks with various measures, for example, benchmarking, strategic initiatives, executing productivity measures and target cost projects, inclusion of price adjustment clauses in our sales contracts, rightsizing of our footprint, outsourcings, mergers, and joint ventures, exporting from low-cost countries to price-sensitive markets, and optimizing our product and service portfolio, with a focus on decarbonization. We continuously monitor and analyze competitive, market and industry information, in order to be able to anticipate unfavorable changes in the competitive environment rather than merely react to such changes.

Operational risks

Technical and quality issues (Major) - Certain products that we sold in the past had, and may in the future have, quality issues resulting from the design or manufacture of these products or the commissioning of these products or the software integrated into them. Such risks are particularly present in our engineering, production, and project sites, which are located all over the world and have a high degree of technological complexity. A failure or malfunction of one of our products may extend to other products or may affect whole production facilities or plants or entire product lines, which may already be installed or planned to be installed at customer sites. Potential consequences of quality issues could result in the shutdown of power plants, shutdown of wind farms, delays in project commissioning, property damage, customer claims, and detrimental effects on our reputation. There is a risk that our quality assurance measures will be not effective enough to detect and adequately respond to every quality assurance issue in a timely manner or at all, especially in relation to new technologies, which are typically in an early phase of implementation and, because operational data is rare, whose lifetime cannot be reliably predicted. Any of the described cost-increasing effects, claims, liabilities, or reputational damages would have a material adverse effect on our business, financial position, and results of operations. Particularly in our SG segment the risks of technical problems and quality incidents affecting the entire fleet or parts of a fleet cannot be completely excluded in the future either. The introduction of new platforms in Onshore and Offshore together with the factory capacity ramp-up could lead to increased Nonconformity Costs and execution delays. In addition, existing accruals may not fit to changing failure rates due to the long contract time of service contracts. Furthermore, addressing identified technical and quality-related problems could take longer than expected and cause higher costs than originally assumed due to greater complexity. To mitigate the aforementioned issues, action items are being implemented and monitored through e.g., cross-functional task force, weekly workstreams and Steering Committee. Regarding new bids, critical serial defect clauses are under review by Legal Department and our contractual position with suppliers will be strengthened. SG is further focusing on an ambitious cost-out program.

Business interruption due to cyberattack (Major) - Information technologies (IT) are deeply integrated into our business portfolio, and we depend on their uninterrupted and efficient functioning. Furthermore, we rely on third-party IT service providers, suppliers and vendors. The global increase in cybersecurity threats and higher levels of professionalism in cybercrime pose a risk to the security of products, systems, and networks. Our IT environment could be compromised, e.g., by advanced persistent attacks on our own or our IT service providers' networks, which may also include externally hosted cloud services. There can be no assurance that our own or our IT service providers' measures aimed at safeguarding the uninterrupted and efficient functioning of IT will address all of these threats under all circumstances. Any such attack or disruption may adversely affect our business operations. Risks from cyberattacks on our products and services can have particularly serious consequences because they are often part of critical infrastructure, the limited functionality or total failure of which can have far-reaching consequences. For example, we sell products and systems with digital capabilities and offer digital solutions such as instrumentation and controls for power plants. If such products, systems, and solutions are compromised or disrupted, we may be held liable by our customers for damages and may also suffer damage to our reputation. Cyberattacks and other disruptions could also result in deliberate improper access and use of our sites or systems, as well as production downtimes and supply shortages, with potential adverse effects on our reputation, our competitiveness, and results of operations. We attempt to increase overall cybersecurity resilience by employing proven cybersecurity professionals and by utilizing several measures, including awareness measures for our staff on a global scale, target-oriented employee training, comprehensive monitoring of our networks and systems through cybersecurity defense teams, and by using security systems such as firewalls and virus scanners. Furthermore, serious financial losses caused by a

cybersecurity breach or cyberattack are considered by our cyber insurance policy that covers not only our company's first party loss, but also partly cyber liability (third party claims).

Siemens Gamesa cost out savings (Major) - Our SG segment is consistently implementing the "Master Plan" productivity program it has introduced. The program includes numerous activities running in parallel, taking different approaches and targeting short-, medium-, and long-term improvements. These include restructuring through the introduction of a project- and process-oriented operating model which is oriented at the project lifecycle, increasing sales prices in conjunction with more selective bidding, adjusting contract clauses, and stabilizing the supply chain and production rate. In the event that the expected cost savings from synergy and productivity measures are not fully realized in a timely manner, this lack of productivity improvements or failure to achieve cost reductions could result in a material impact on SG's profitability. Ongoing remedial actions include regular analysis of projected cost savings (including evaluation of reasons for deviations), as well as continuous development of existing productivity measures and the creation of new ones (including consideration of the degree of implementation).

Risks related to project execution (High) - We regularly engage in large and complex projects up to full turnkey delivery that may be worth, or even exceed a value of, several hundred million euros and whose execution may take several years. These contracts are exposed to risks, which are identified and evaluated for every projects. Nevertheless, we may see deviations from our execution plan and its related calculated cost. This is particularly the case in projects with untested or new technology or when we bid for projects in countries where we lack or have only limited experience based on previous projects. In certain cases, there are risks of unforeseeable project-related changes in critical personnel and its availability in the labor market, quality, financial difficulties faced by customers and/ or partners, cost overruns or contractual penalties due to delays or unexpected technical problems, unforeseen developments at the project sites, effects of legal, market or political framework conditions, performance problems with suppliers, contractors and consortium partners, or logistical difficulties. Furthermore, pandemic, geopolitical and climatic developments may constitute additional risks, in particular if, e.g. due to approval processes, the execution schedules are significantly extended. This may result in considerable increases in project expenses, adversely impacting project performance, and causing a substantial unfavorable effect on our business, financial position, and results of operations. In some cases, this also could lead to a legal dispute. To address those risks, we have established a global project excellence organization in our business areas GS, GT and TI as well as in our global function PE (project entity for handling large and complex projects) to monitor a transparent risk assessment and approval process for bid submission, a standard model for project execution, a curriculum to systematically improve the capabilities of our project management personnel as well as a continuous improvement program focused on lessons learned, in order to prevent failure repetition. The SG business is characterized by long-term contracts, carried out in and outside Europe. Possible risks from cost changes are cushioned by contractually fixed indexing, contractual risk allocation and/ or calculated risk evaluations. Numerous already confirmed long-term contracts, however, in particular in the offshore segment, contain fixed prices. We try to cover existing and potential further cost increases by renegotiating these contracts. Productivity measures are aimed at further risk reduction. They include product cost improvement (mainly by reducing purchase prices for supplier parts/ materials), factory and footprint optimization, effectiveness in operations and project execution, and quality enhancements as well as overall fixed cost reductions. Beyond this, technical product risks cannot be excluded, but they shall be successively reduced through adjustments to contractual terms and conditions (also through successful renegotiations). This includes risk-adequate caps on liquidated damages as well as a liability limitation for SG regarding these technical risks. Furthermore, the offered product variants are reduced, and SG is focusing on selected onshore markets for bidding.

Data leakage due to cyberattack (High) - The confidentiality and integrity of our data, as well as that of our customers and business partners, are essential to our business operations. Modern cyberattack methods often not only lead to business interruptions, but confidential or private data, including that of third parties, is simultaneously exposed, stolen, manipulated, or otherwise compromised through data leaks. These risks are further exacerbated by the fact that potential attackers are increasingly sophisticated and are often supported by organized crime or even nation states engaged in industrial espionage or sabotage. If information relating to our intellectual property rights is leaked or stolen, this could adversely affect our competitive position. The leakage of information on current project terms or pricing structures may represent a direct short- to medium-term impact on revenue. Our digital products and services process and store data from our customers and business partners. This includes particularly sensitive data that is essential, for example, for the security of energy networks. If this were to be compromised, this could have a particularly negative impact on our reputation as a service provider for critical infrastructures. In addition, if confidential or private data or data of third parties were compromised, we might have to pay contractual or regulatory penalties or face other sanctions in connection with non-disclosure agreements or data protection laws and regulations. Mitigation of these risks include targeted protection measures for our IT systems, networks, and products and services based on the criticality of their data and business processes. This is complemented by programs for classifying data, monitoring data flows, and ultimately targeted prevention of data outflows, which we carry out in close cooperation with our IT and specialized service providers. Since the human factor often plays a decisive role in these attack scenarios, we support our employees with targeted training measures and recurring campaigns to increase awareness of the correct handling of data. If financial losses incur because of data privacy and confidentiality breaches, these are covered by our cyber insurance policy.

Supply chain risks (High) - The financial performance of our operating units depends on reliable and effective management of our supply and logistics chain for components, parts, materials and services. Capacity constraints and supply bottlenecks resulting from ineffective management of the supply and logistics chain could lead to production bottlenecks, delivery delays, additional inventory requirements, and additional costs. Third-party manufacturing, assembly, and functional testing of our products may reduce our immediate ability to influence quality assurance, delivery schedules, and costs. Unexpected increases in component or raw material prices due to market bottlenecks or other reasons could also adversely affect our results of operations. Since the onset of the COVID-19 pandemic in early 2020, we have faced ongoing supply chain challenges and disruptions. Complexity has increased due to a combination of supplier capacity constraints, material and energy shortages, extended delivery times, and not least the geopolitical and economic conflicts (such as Russia/ Ukraine, USA/ China, China/ Taiwan, and in the Middle East). Added to this are the increasing number of unforeseeable events (such as natural disasters), cyber incidents at our suppliers, a continuing high risk of supplier insolvencies as well as increased regulatory requirements (such as restricting the use of environmentally harmful gases and chemicals), which can lead to risks in the availability of materials. In order to identify risks at an early stage, initiate measures to minimize risks, and ensure material availability in our production facilities, customer projects and service business, we have introduced systematic supply chain risk and resilience

management. Since the start of the COVID-19 pandemic, a crisis management system and various task forces have also been established at top management level to manage the particularly challenging situation. With the support of the experts in our market intelligence team and various forecasting tools, we try to identify developments in the markets and supply chains at an early stage and take action as early as possible. In addition to the challenges in material availability, we have been confronted for some time with material and raw material prices and logistics costs at a higher level. Costs due to inadequate delivery quality and the long development and qualification times for alternative suppliers due to the high complexity of our products represent a further risk. We have introduced several measures to improve quality and prevent losses. For example, the increased use of quality management tools improves transparency, enables us to strengthen root cause analysis, and serves as a preventive measure. We also continuously monitor our suppliers and supply chains to identify trends at an early stage and initiate countermeasures.

Unavailability of key personnel (High) - We currently experience a favorable order intake in our business areas GS, GT and TI, which leads to increased recruiting demands. In SG there is the risk that the announced reorganization and restructuring may lead to higher fluctuation rate in key positions and markets. At the same time, the competition for diverse and highly qualified personnel remains intense for many talent segments and regions in which our businesses operate. The lead time for hiring and onboarding might delay project execution activities and could potentially impact business operations and customer satisfaction. We try to provide sufficient recruiting capacity, also via third-party providers, supported by recruiting campaigns as well as targeted candidate approaches. Based on strategic workforce planning of the businesses, targeted measures can be initiated, such as building up in growth areas, deriving and implementing retraining and qualification measures.

Adverse environment, health, and safety (EHS) events (High) - The majority of the industries in which we operate are highly regulated and as a business we adhere to stringent environmental and occupational health and safety laws and regulations, not only in our production facilities but also on project and service sites and at customer locations. Current and future EHS laws and regulations, or amendments, may require us to change the way we run our operations and could result in significant increases in our operating or production costs. Furthermore, due to the high risk potential of some of our work profiles we see the risk of potential incidents as well as potential non-compliance with EHS regulations affecting Siemens Energy and our contractors, resulting for example in serious injuries, penalties, loss of reputation, internal or external investigations and project delays. EHS programs establish a global framework that sets high-level standards and expectations, including principles, behaviors, and essentials for environment, health and safety. We could also face liability for damage or remediation for environmental contamination at the facilities we own, lease, design, or operate. This risk is further exacerbated by the fact that much of the real estate used by Siemens Energy was acquired when such real estate had already been in industrial use. Siemens Energy therefore cannot guarantee that such real estate was always operated in line with EHS regulations, but may, nevertheless, be held responsible for the consequences of a failure to do so. We may incur environmental losses beyond the insurance limits, or outside the coverage of such insurance, and such losses may have a material adverse effect on our business, financial position, and results of operations.

Data management (High) - Efficient, standardized, and automated processes and solutions for effective data management are required to address risks of data security breaches, non-compliance with new data protection laws and regulations, inconsistent decision making, lost productivity, and erosion of customer trust. To address these risks, the Data & AI organization has been set up to drive and maintain SE's data strategy. Its mandate is to establish the standards, guidelines and best practices for data management, to ensure data is easily accessible, accurate, secure, well-managed and of high quality. For this purpose, key data roles across Siemens Energy are defined and operationalized to formally manage key company data, and enhancements in central data capabilities are being developed to further enhance our products, solutions, services, and internal processes.

Financial risks

Credit Rating downgrade to sub investment grade (High) - There is a risk of adverse financial performance that is not commensurate with key financial ratios and performance indicators needed to maintain the rating BBB- by our credit rating agency S&P Global. A one notch downgrade to our investment grade rating to BB+ (non-investment grade) could result in severely limited financial flexibility, increased financial costs and significant restrictions e.g., covenants, collateral. Capital market capacity would reduce with substantially higher costs of funding and a narrower investor base. Access to capital markets could even be completely shut in times of market volatility. Banks could end their relationship with Siemens Energy. Many banks might stop issuing guarantees and parent company guarantees would have a lower acceptance level. In order to mitigate the risk of a downgrade, Siemens Energy has strengthened its balance sheet through strategic portfolio divestments (e.g., Trench and Siemens Limited, India). In addition, we are in regular dialogue with S&P Global to provide them with updates on developments and measures.

Compliance risks

Potential compliance violations (High) - As a diversified company with global businesses we are exposed to various product- and country-related regulations, laws, and policies influencing our business activities and processes. We monitor the political and regulatory landscape in all our key markets to anticipate potential problem areas, with the aim of quickly adjusting our business activities and processes to changed conditions. However, any changes in regulations, laws, and policies could adversely affect our business activities and processes as well as our financial position and results of operations, for example, through the impact of imposed financial and economic sanctions. Proceedings against us, our former parent company Siemens AG as far as they relate to business carved out to Siemens Energy, or our business partners regarding allegations of corruption, antitrust violations, and other violations of law may lead to fines as well as penalties, sanctions, injunctions against future conduct, liabilities due to settlements with authorities, disgorgements, disqualifications from directly and indirectly engaging in certain types of business, the loss of business licenses or permits, other restrictions and legal consequences. Siemens Energy conducts a large share of its business with governments and government-owned enterprises. We also participate in a number of projects funded by government agencies and intergovernmental and supranational organizations, such as multilateral development banks. Ongoing or potential future investigations into allegations of corruption, antitrust violations, or other violations of law could also impair relationships with such parties or could result in our exclusion from public contracts. Such investigations may also adversely affect existing private business relationships and our ability to pursue potentially important strategic projects and transactions, such as strategic alliances, joint ventures or other business alliances. In addition, third parties, including our competitors, could initiate significant litigation. Furthermore, we might be exposed to compliance risks in relation to recently acquired operations that are in the

process of integration. Along with other measures, we have established a global compliance organization to mitigate these risks, which conducts, among other things, compliance risk mitigation processes such as comprehensive compliance trainings, compliance risk assessments, and internal audit activities.

Impact of legal proceedings (High) - Siemens Energy is, and potentially will be in the future, involved in several administrative, legal, and arbitration proceedings in various jurisdictions. Such proceedings may, among other things, relate to claims from or against project partners and customers regarding delays and disruptions, non-performance, labor disputes, antitrust issues, product liability, warranty claims, and IP rights. The significance and outcome of these proceedings can vary greatly and many of these cases could have considerable negative consequences for us. These proceedings could result in Siemens Energy being subject to, e.g., payment of contractual penalties or damages (including punitive damages), equitable remedies or sanctions, fines, or disgorgement of profit. In individual cases, legal disputes may also lead to formal or informal exclusion from tenders or the revocation or refusal to renew or grant business licenses or permits. Some of these legal disputes and proceedings could result in adverse decisions for Siemens Energy, or decisions, assessments, or requirements of regulatory authorities could deviate from our expectations, which may have material effects on our business activities as well as our financial position, results of operations, and cash flows. High-profile proceedings may also divert management attention, result in significant litigation and arbitration costs, negative publicity, and harm our reputation. In some cases, our reputation may suffer regardless of the merits of the claim and the outcome of the proceedings. We maintain liability insurance for certain liability risks at levels our management believes are appropriate and consistent with industry practice. However, Siemens Energy may incur losses relating to legal proceedings beyond the limits, or outside the coverage, of its insurance, or exceeding any provisions made for losses related to legal proceedings.

For additional information related to specific litigations, please see **Note 18 Legal proceedings** in **3.6 Notes to the Consolidated Financial Statements**.

Climate-related risks

Climate change and decarbonization trend (High) - The impacts of climate change might have significant effects on our company throughout the entire value chain, such as markets, technologies, policy and legal, reputation, as well as climate-related physical impacts (e.g., from increasing extreme weather events) on our sites, portfolio or supply chains. These changes will be gradual over several years or decades. In particular, the trend towards decarbonization of the energy market has a significant impact on the strategy, organizational setup and portfolio of Siemens Energy. There is a risk that requirements will be driven in a much shorter timeframe than expected by regulatory measures or public pressure (e.g., CO_2 taxes, financing restrictions for greenhouse gas emitting technologies, media campaigns). To mitigate related technology/ portfolio risks and ensure timely actions, we are continuously screening market developments and reviewing our portfolio. The products, solutions and services offered by our business areas GS and TI serve, to a significant extent, conventional power generation using fossil fuels. Fossil power generation is currently under pressure due to the prevailing trend toward more sustainable power generation using renewable energy sources or carbon-neutral fuels. In addition, the trend towards decentralization may adversely impact markets for centralized power generation, including gas power plants and related power grids, e.g., high-voltage substations. If we are too slow or if we fail to adapt our business model and our product portfolio to specific regional demand in time or at all, this may have a material adverse effect on our business, financial position, and results of operations. There is also a risk that the demand for fossil power plants and related infrastructure including highly efficient gas turbines will be lower than we expect due to a faster than expected transition toward renewables. Such trends towards renewables can vary by country or region and are impacted by several factors largely beyond our control, in particular by government intervention, public and private initiatives, the efficiency and cost of renewable energy technologies, the selectiveness of and restrictions for investors and lenders and changing consumer preferences in energy consumption. These trends could result in a shift in our portfolio away from oil & gas products or solutions, or other industrial applications. Consequently, our service business might also suffer from fewer opportunities to conclude new service contracts, or if customers decide to decommission conventional power plants, other assets or to cancel or postpone modernizations our service backlog may be adversely affected. Within renewables, we offer wind power applications through our SG segment, but we have only limited products and services related to solar power generation or other renewable technologies in our portfolio. If other renewable fields develop more dynamically than expected, e.g., through increasingly declining subsidy levels in the wind power industry, there can be no guarantee that SG will succeed in addressing the resulting challenges. We are offering our customers various pathways to transform their existing fleet of fossil fuel-based power generation technology into a less carbon-intensive one. Depending on governmental policy support and regulatory implementation, such markets may pick up earlier or later than expected. If we are too slow or if we fail to adapt our business model and our product portfolio to specific regional demand in time or at all, this may have a material adverse effect on our business, financial position, and results of operations. We are constantly screening for climate-related developments, e.g., decarbonization programs of our customers, investor requirements, regulatory frameworks, and identifying critical projects through a sustainability check to determine risk exposure.

Assessment of the overall risk situation

The most significant challenges are described first in each of the five risk categories – strategic, operations, financial, compliance, and climate. We have adjusted our assessments of individual risks in fiscal year 2024 compared to the previous year due to the development of external conditions, adjustments in our business portfolio and the effect of our own countermeasures. The overall risk position for Siemens Energy has improved compared to the previous year. The risk arising from technical and quality issues is the most significant challenge for us, followed by the risk of a business interruption due to cyberattack.

At present, no risks have been identified that either individually or in combination could endanger our ability to continue as a going concern.

2.8.5 Opportunities

Within our ERM, we also regularly identify, evaluate, and respond to opportunities that present themselves in our various fields of activity. Below we describe our most significant opportunities. Unless otherwise stated, the opportunities described relate to all organizational units. The order in which the opportunities are presented reflects the currently estimated relative exposure for Siemens Energy associated with these opportunities and thus provides an indication of the opportunities' current importance to us. We limit ourselves to the presentation of those risks that carry the highest exposure levels, "Major" or "High". The opportunities described are not necessarily the only ones we encounter. 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.

Achieve all synergies from the full integration of Siemens Gamesa (Major) - The complete integration of Siemens Gamesa Renewable Energy offers the opportunity to fully exploit the underlying synergy potential. This potential lies primarily in a stronger strategic alignment within the fully integrated company, aiming to enhance the overall control of our global activities. To this end, we are simplifying the organization of the Siemens Energy Group and unifying reporting, control, and governance processes for all companies within the Group, including SG and its subsidiaries. This is already resulting in lower management and reporting costs as we reduce the costs and complexity associated with leading a publicly listed company. Furthermore, we are leveraging opportunities arising from the size of the Group and gradually reducing unnecessary duplication of work. Our main focus is to improve collaboration between the respective units in terms of customer engagement, strengthen cross-selling activities, and provide SG with direct and efficient access to the strengths of Siemens Energy in the GS, GT, and TI business areas, particularly the global customer portfolio, and in the growing business of new technologies from Siemens Energy. Additionally, we could improve efficiency in supplier relationships and enhance the unified management of larger purchasing volumes, enabling further cost savings and simultaneously improving the Group's ability to address supply chain issues. Together with other integration measures, these activities are expected to generate synergies of approximately €300 million per year on a runtime basis within three years after full integration. Initial initiatives with synergy effects are already implemented, and various other projects are in the process of implementation. The main areas of these activities are supply chains and logistics through the integration of procurement activities and service and logistics networks, the centralization of certain administrative functions, and the harmonization of IT systems. We are also reducing overall expenses through joint and integrated R&D efforts and an optimized administrative structure. Furthermore, we are focusing on excellent project execution through improved project selection and tendering, leveraging Siemens Energy's proven expertise in managing large and complex projects, and introducing a more project-focused organizational structure. In addition to cost synergies, the company expects further growth-related revenue synergies in the mid-three-digit million range by the end of the decade through a unified go-to-market approach and a fully integrated energy technology offering focusing on value-adding capabilities. Based on the revenue and cost synergies expected from the implementation of the targeted integration initiatives and under unified management, we aim for an overall improved financial profile of the Siemens Energy Group.

Climate-related opportunities from portfolio (High) - We see the opportunity to significantly accelerate growth at Siemens Energy by developing a green product portfolio that meets the market trend towards net-zero emissions. We strengthen our decarbonization portfolio and grow markets short-, mid-, and long-term, while continuously adapting our business models and our product, service and solution portfolio to changing customer and market behaviors. New products/ projects comprise e.g., H_2 production, SF_6-free high-voltage equipment, decarbonized heat supply, H_2-fired gas turbines, or energy storage for our clients in existing power plants, as standalone solutions for grids and in combination with renewable energy sources like PV (photovoltaic) or wind. We accompany our customers on their energy transformation journey and continuously monitor and adapt our portfolio to meet customer needs. We closely observe the market and regulatory developments, with a focus on applications with earlier expected market maturity. Furthermore, we invest in targeted R&D activities that support our innovation strategy and the corresponding five fields of action to transform the future: Decarbonized heat and industrial processes, Carbon and product circularity, Resilient grids and reliability, Condition-based service interventions, and 24/7 carbon-free energy. In addition, selected technology fields have been defined and are being driven forward across the company to improve the sustainability dimension of our product, solution, and service portfolio and to strengthen our core business. We explore market opportunities to create the foundation for new business, e.g., focus on building up our H_2-related business with electrolyzer systems and solutions to produce green hydrogen on the basis of renewable energy and water. Our SG segment's wind power portfolio is another essential element on this path to clean energy and to transform the future.

Opportunity from market development (High) - We see an opportunity from accelerating growth in markets driven by decarbonization and net-zero emissions goals, supported by public investment programs (e.g., Inflation Reduction Act in the US, Net Zero Industry Act in the EU). In particular, proposed reforms to German and EU electricity markets may increase demand for our offerings. All of our Business Areas may benefit from accelerated decarbonization, whether through greater demand for wind turbines, grid transmission equipment, hydrogen-capable gas turbines, industrial decarbonization solutions, increased investments in energy efficiency, electrolyzers, other Siemens Energy technologies, or new portfolio elements. The increasing need for energy security and autonomy presents further opportunity for Siemens Energy to expand order entry and profitability. This could drive increased investment in energy infrastructure in countries that are seeking to reduce their dependence on imported energy sources. Incremental demand from data centers for GenAI (Generative Artificial Intelligence) provides additional opportunity. Our ability to capture these market opportunities may be limited by our ability to expand production and supply chain capacities, or by the other risk factors facing our business generally.

Public CAPEX funding (High) - There is an opportunity to increase the public and governmental funding support for our CAPEX investments in various countries, enabling us to increase our total CAPEX amount or to reduce our own CAPEX share accordingly, creating an improved business case for our factories. As a result, we could serve more customer demand than expected or serve demand at a better cost base than expected. These public funding initiatives are related to the global efforts for decarbonization and promote clean technology manufacturing enabling the green transition. Examples of highly relevant public funding instruments are: in EU the Temporary Crisis Transition Framework (TCTF) in which the grants, or tax incentives could be allocated to projects until the end of 2025; in US the Inflation Reduction Act (IRA).

Assessment of overall opportunities

We have adjusted our assessments of individual opportunities in fiscal year 2024 compared to the previous year due to the development of external conditions, adjustments in our business portfolio and our strategic focus setting. The overall opportunity position for Siemens Energy has improved compared to the previous year. The most significant opportunity for Siemens Energy is the achievement of all synergies from the full integration of SG as described above.

2.9 Explanations to the Financial Statements of Siemens Energy AG (Holding)

2.9.1 Overview

The Annual Financial Statements of Siemens Energy AG have been prepared in accordance with the rules set out in the German Commercial Code (Handelsgesetzbuch) and the German Stock Corporation Act (AktG).

Siemens Energy AG is the parent company of the Siemens Energy Group and acts as a strategic management holding company. Its results are significantly influenced by its directly or indirectly owned subsidiaries. The business development of Siemens Energy AG is through its shareholdings fundamentally subject to the same risks and opportunities as the Siemens Energy Group. The outlook of the Group directly affects our expectations for Siemens Energy AG. Therefore, the foregoing explanations for the Siemens Energy Group also apply for Siemens Energy AG.

As part of its activities as a listed holding company of the Siemens Energy Group, Siemens Energy AG entered into service agreements with Siemens Energy Global GmbH & Co KG. These intercompany services result in the recognition of revenue and cost of sales.

As of September 30, 2024, Siemens Energy AG employed 38 employees, including members of the Executive Board.

Siemens Energy AG allows employees and members of the Managing Board to participate in share-based payment programs. For the purpose of servicing share-based payment programs, Siemens Energy AG also delivers Siemens Energy shares, which have been granted by affiliated companies. The treasury shares purchased under the share buybacks may be exclusively used for the purpose of issuing shares to employees and members of the Company's Executive Board as well as to employees and board members of affiliated companies in the context of share-based compensation or employee share programs. In fiscal year 2024, Siemens Energy AG re-issued in total 8,206,048 treasury shares under the exclusion of subscription rights in connection with share-based payments and employee share programs in the Group, equaling a nominal amount of €8,206 thousand and 1.0% of the capital stock.

On December 22, 2023, Siemens Energy announced a share buyback with a volume of up to €130,000 thousand, ending September 30, 2024, at the latest. In fiscal year 2024, Siemens Energy AG repurchased a total of 10,146,361 shares, thus completing the share buyback program on February 14, 2024. This represents a nominal amount of €10,146 thousand or 1.27% of the capital stock as of September 30, 2024. For this purpose, €130,000 thousand were spent excluding incidental transaction charges. This represents an average stock price of €12.81 per share.

2.9.2 Results of operations

Statement of income of Siemens Energy AG in accordance with German Commercial Code (condensed)

(in thousands of €)	Fiscal year 2024	2023	Change
Revenue	**61,131**	**53,868**	**13%**
Cost of sales	(52,176)	(47,267)	10%
Gross profit	**8,955**	**6,600**	**36%**
as percentage of revenue	*14.6%*	*12.3%*	
General administrative expenses	(20,788)	(38,998)	(47)%
Other operating income (expenses), net	2,480	14,409	(83)%
Income (loss) from operations	**(9,353)**	**(17,989)**	**(48)%**
Financial income, net	123,519	79,362	56%
thereof Income (loss) from investments, net	*112,408*	*68,343*	*64%*
Income (loss) from business activity	**114,148**	**61,373**	**86%**
Income taxes	(25,522)	(13,827)	85%
Other taxes	(58)	(29)	104%
Net income (loss)	**88,568**	**47,517**	**86%**
Profit (loss) carried forward	64,941	17,479	>200%
Allocation to capital reserve	(10,146)	(6,573)	54%
Release of capital reserve	8,206	6,518	26%
Unappropriated net income (loss)	**151,568**	**64,941**	**133%**

- Revenue in the amount of €54,522 thousand (2023: €48,065 thousand) resulted from providing management services to affiliated companies, as well as from fees received from Group companies for guarantees given to customers in connection with the provision of services in the amount of €6,609 thousand (2023: €5,803 thousand). The significant increase was mainly due to the development of cost of sales, as management services are billed using the cost-plus method in accordance with the contractual terms. In addition, the volume of fees received from Group companies for guarantees given to customers in connection with the provision of services increased significantly. The fees received are only offset by a low amount of cost of sales.
- Cost of sales essentially included personnel expenses resulting from the provision of management services to affiliated companies. The clear increase resulted primarily from higher personnel expenses to be offset, due to a sharp increase in expenses for share-based payments in connection with the positive development of the share price.
- General administrative expenses mainly comprised expenses for purchased services, expenses for the Supervisory Board and expenses in connection with D&O insurance and decreased sharply due to the absence of the high expenses for purchased consultancy services in the prior year, which were in connection with the acquisition of the outstanding shares in Siemens Gamesa Renewable Energy S.A.
- Other operating income (expenses), net decreased sharply and included other operating income in the amount of €2,576 thousand (2023: €29,717 thousand) and other operating expenses in the amount of €97 thousand (2023: €15,308 thousand). Other operating income mainly included expenses charged on to Group companies in connection with D&O insurance and decreased sharply due to the absence of high expenses charged on in the prior year in connection with the acquisition of the outstanding Siemens Gamesa Renewable Energy S.A. shares. Other operating expenses included in the prior year transaction costs in connection with the capital increase carried out on March 15, 2023, in the amount of €15,185 thousand.
- The sharp increase in financial income, net was mainly due to the income from investments. In fiscal year 2024, it included a withdrawal from Siemens Energy Global GmbH & Co. KG in the amount of €112,408 thousand (2023: €68,343 thousand). Thereof, an amount of €75,000 thousand (2023: €50,000 thousand) was used to carry out the buyback of treasury shares. A further amount of €37,408 thousand (2023: €18,343 thousand) was used for the withdrawal in accordance with the provisions in the articles of association to ensure the recognition of income taxes in the balance sheet of Siemens Energy AG.
- Income taxes included domestic and foreign income taxes and increased sharply. The increase was mainly due to higher claims against tax authorities for withholding tax on capital income in the amount of €11,920 thousand (2023: €3,898 thousand). The withdrawal from Siemens Energy Global GmbH & Co. KG, which was reflected in the income (loss) from investments, accounted for expenses amounting to €37,408 thousand (2023: €18,343 thousand). The surplus of deferred tax assets was not recognized due to the exercise of the option under Section 274 para. 1 s. 2 German Commercial Code.
- In the course of the share buyback and the issue of treasury shares to employees, €10,146 thousand (2023: €6,573 thousand) was transferred from the net income to the capital reserve and €8,206 thousand (2023: €6,518 thousand) was reversed from the capital reserve in analogous application of Section 237 para. 5 of the German Stock Corporation Act (AktG).

2.9.3 Net assets and financial position

Statement of financial position of Siemens Energy AG in accordance with German Commercial Code (condensed)

(in thousands of €)	Sep 30, 2024	2023	Change
Assets			
Non-current assets	**13,023,862**	**13,023,863**	**(0)%**
Property, plant and equipment	7	8	(19)%
Financial assets	13,023,855	13,023,855	—
Current assets	**2,559,425**	**2,454,501**	**4%**
Receivables and other assets	2,558,489	2,453,576	4%
Trade Receivables	26	—	n/a
Receivables from affiliated companies	2,486,738	2,444,793	2%
Other assets	71,724	8,783	>200%
Cash and cash equivalents	937	925	1%
Prepaid expenses	**60**	**12**	**>200%**
Active difference resulting from offsetting	**52**	**48**	**9%**
Total assets	**15,583,399**	**15,478,424**	**1%**
Shareholders' equity and liabilities			
Shareholders' equity	**14,520,799**	**14,449,693**	**0%**
Provisions	**52,405**	**22,784**	**130%**
Provisions for pensions and similar commitments	17,537	13,914	26%
Other provisions	34,868	8,869	>200%
Liabilities	**1,010,196**	**1,005,948**	**0%**
Trade payables	1,867	4,402	(58)%
Liabilities to affiliated companies	994,507	962,994	3%
Other liabilities	13,823	38,552	(64)%
Total shareholders' equity and liabilities	**15,583,399**	**15,478,424**	**1%**

- Financial assets consisted of 100% of the shares in Siemens Energy Global GmbH & Co. KG and Siemens Energy Management GmbH.
- Receivables from affiliated companies increased slightly due to the balance-sheet date and continue to include two significant receivables from Siemens Energy Global GmbH & Co. KG. Due to the mandatory convertible note issued in fiscal year 2022 by Siemens Energy Finance B.V., Zoeterwoude, Netherlands, two intercompany loans were concluded, by means of which the funds received were passed on to Siemens Energy Global GmbH & Co. KG. Siemens Energy AG reports a receivable from affiliated companies in the amount of €960,000 thousand (2023: €960,000 thousand) until the mandatory convertible note matures in September 2025. Also, Siemens Energy Global GmbH & Co. KG was granted an interest-free loan of €1,245,964 thousand to pass on the issue proceeds from the capital increase on March 15, 2023, for the purpose of acquiring the outstanding shares of Siemens Gamesa Renewable Energy S.A. In addition, receivables from affiliated companies included receivables from cash pooling with Siemens Energy Global GmbH & Co. KG, which were primarily related to share-based payments granted by affiliated companies.
- Other assets increased sharply due to higher receivables from tax authorities of €67,597 thousand (2023: €5,670 thousand) and included €4,000 thousand (2023: €3,000 thousand) applied research subsidies, which were recognized at the level of Siemens Energy AG as the tax group parent.
- Shareholders' equity increased by €112,538 thousand due to the issuance of treasury shares under various share-based payment and employee share programs and by €88,568 thousand due to the net income for the year. This was offset by the share buyback with a total volume of €130,000 thousand.
- Provisions for pensions and similar commitments increased substantially, mainly due to the vesting of new entitlements, the interest on entitlements and changes in financial assumptions.
- Other provisions increased sharply due to higher provisions for share-based payments of €28,001 thousand (2023: €5,328 thousand), which have risen sharply, mostly due to the positive development of the share price, and higher personnel-related provisions of €6,853 thousand (2023: €3,527 thousand).
- Trade payables decreased sharply compared to the prior year. The high amount of consulting services in connection with the acquisition of the outstanding shares of Siemens Gamesa Renewable Energy S.A, which had not yet been settled in the prior year, was not offset by any corresponding payables in fiscal year 2024.
- Liabilities to affiliated companies increased moderately and continued to include an amount of €960,000 thousand (2023: €960,000 thousand) from the mandatory convertible note issued by Siemens Energy Finance B.V., Zoeterwoude, Netherlands, which was forwarded group-internally as a loan to Siemens Energy AG and is reported under liabilities to affiliated companies until the maturity of the mandatory convertible note in September 2025.
- Other liabilities decreased sharply due to lower liabilities to personnel of €9,439 thousand (2023: €17,564 thousand) and lower sales tax liabilities to the tax authorities of €249 thousand (2023: €16,772 thousand) as of the balance-sheet date. The decrease of the sales tax liabilities at Siemens Energy AG as the sales tax group parent is due to the inherent fluctuations in the long-term project business of its tax group companies. In addition, other liabilities included outstanding Supervisory Board compensation of €4,020 thousand (2023: €4,105 thousand).
- With cash and cash equivalents of €937 thousand (2023: €925 thousand) and short-term receivables from cash pooling from Siemens Energy Global GmbH & Co. KG of €280,774 thousand (2023: €238,829 thousand), liquidity totaling €281,711 thousand (2023: €239,754 thousand) is available.

Opportunities and risks

Siemens Energy AG's business development is largely subject to the same opportunities and risks like the Siemens Energy Group. In this context, the opportunity and risk potential of Siemens Energy AG with respect to its subsidiaries and equity investments is generally proportional to the respective directly or indirectly held capital shares in each individual case, see **2.7 Report on expected developments**. As the parent company of the Siemens Energy Group, Siemens Energy AG is included in the Group-wide risk management system, see **2.8.3 Risk management**.

Alongside the opportunities and risks of the Group, Siemens Energy AG is also exposed to the risk of impairment of investments in subsidiaries. As investments in subsidiaries represent nearly the entire total assets, this risk is of great importance for Siemens Energy AG. The recoverability of investments in subsidiaries is influenced by the development and success of the subsidiaries and their investments. Adverse effects on subsidiaries or indirect investments may consequently lead to an impairment of the investment in subsidiaries in Siemens Energy AG's Annual Financial Statements. Income from investments significantly influences the net income of Siemens Energy AG. Additionally, there is the risk of the guarantees and other commitments assumed for subsidiaries being utilized.

Outlook

Siemens Energy AG is the sole limited partner of Siemens Energy Global GmbH & Co. KG and holds all shares in the Siemens Energy Management GmbH as its sole general partner. In this structure withdrawals from Siemens Energy Global GmbH & Co. KG, which Siemens Energy AG receives, will lead to income from investments for Siemens Energy AG, provided the fair value of Siemens Energy Global GmbH & Co. KG exceeds the carrying amount of the investment. In addition, changes in the valuation of these participations may affect the asset position and results of operations of Siemens Energy AG. In the future, Siemens Energy AG will continue to incur expenses for the remuneration of its Executive Board and Supervisory Board members as well as other personnel, for tax payments, for financing drawn upon, and for its own holding organization. Furthermore, Siemens Energy AG will recognize income for providing services to other Group companies.

For fiscal year 2024, a net income of €47,517 thousand was expected, a similar figure to that for the fiscal year 2023. Primarily due to the development of the financial income, net because of the withdrawal for the share buyback, the expectation was exceeded and a net income of €88,568 thousand was achieved. For fiscal year 2025, we expect a net income at a similar level to the fiscal year 2024. Our mid to long-term target is a payout ratio of 40% to 60% of Siemens Energy Group's net income attributable to shareholders.

Due to its interrelationships with the companies in the Siemens Energy Group, the general expectations for Siemens Energy AG are reflected in the forecast for the Group. Siemens Energy AG's net assets, financial position, and results of operations are dependent on the results of the Group companies. For more details refer to **2.7 Report on expected developments**.

2.9.4 Corporate Governance Statement

The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code is an integral part of the Combined Management Report **4.5 Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code** and is also published on our website **www.siemens-energy.com/corporate-governance.**

2.10 Group non-financial statement

2.10.1 Basis of preparation

This Group non-financial statement of the Siemens Energy Group (Siemens Energy or the Group) has been prepared in accordance with Section 315 b to 315 c German Commercial Code in conjunction with Section 289 c to 289 e German Commercial Code and the specifying reporting requirements of GAS 20 (German Accounting Standard; "Deutscher Rechnungslegungs Standard").

This Group non-financial statement provides a concise and focused summary of our targets, implemented measures and monitoring of target achievements based on suitable performance indicators and therefore is not based on any specific reporting framework. Without limiting the informative coherence and compliance with the legal requirements for this Group non-financial statement, we refer to our separate **Sustainability Report 2024**.

The reportable contents presented in this Group non-financial statement have been identified in accordance with Section 315 c para. 2 German Commercial Code on the basis of the Group's **materiality assessment**. Therefore, this statement concentrates on topics that are necessary for an understanding of the Group's development, financial performance and position, and our operational activities impacting the reportable aspects. Social matters have not been identified as material and are not included in this fiscal year´s Group non-financial statement. For information regarding social matters we refer to our separate **Sustainability Report.** We did not identify any **risks** associated with our business activities, relationships and offerings that are material to understanding the course of business, financial result and position and very likely have or will have severe adverse impacts on the reportable aspects.

Siemens Energy is active along almost the entire energy technology and service value chain with a comprehensive and differentiated offering of products, solutions and services. A detailed description of our **business model** is included in chapter **2.1.2 Business Model** of this Combined Management Report. This Group non-financial statement is subject to a voluntary limited assurance engagement according to ISAE 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information. The Independent Auditor's Limited Assurance Report is reproduced in chapter **4.3 Independent auditor's report on a limited assurance engagement**.

2.10.2 Reportable aspects

2.10.2.1 Environmental matters

Global energy markets are changing, presenting our customers with a multitude of structural, disruptive changes along the **energy value chain** – whether due to the need for decarbonization, increasing decentralization, digitalization, or the resulting demands on flexibility of energy value chains. Public and regulatory pressure to reduce greenhouse gas (GHG) emissions is growing.

These developments are expected to result in changes to the relevance of traditional energy technologies and at the same time, create opportunities in new areas of business, such as increased electrification, increased renewables, hydrogen technologies and Power-to-X technologies. We believe in an energy transition based on renewables and a strong grid infrastructure backbone, while also leveraging low-emission conventional power for peak loads and reducing energy consumption by driving efficiency improvements in industry. To achieve this, we are focusing on expanding renewables, transforming conventional power, strengthening electricity grids, driving decarbonization and securing supply chains.

Targets

We are committed to decarbonization across the value chain – related to the use phase of our products, our own operations, and our supply chain. We have science-based targets according to the Science Based Targets initiative (SBTi) and aspire to reach net zero emissions across the value chain (Scope 1, 2 and 3 downstream) following the 2015 Paris Agreement.

In fiscal year 2021, the SBTi validated the absolute GHG reduction targets for our sold products (Scope 3, category 11) with the aim to reduce absolute Scope 3 emissions from the use of sold products by 28% by fiscal year 2030 (from a 2019 base year, excluding SG).

We aim to be climate neutral in our own operations by fiscal year 2030. This includes the reduction of absolute Scope 1 and 2 GHG emissions by at least 46% by fiscal year 2025 (from a 2019 base year), as validated by the SBTi (excluding SG). As part of this science-based target, Siemens Energy (excluding SG) committed to increase global electricity consumption from renewable sources to 100% by fiscal year 2023 onwards and achieved this target in fiscal year 2023 and 2024. In fiscal year 2024, SG has also converted its electricity generation to 100% renewable energies.

Siemens Energy is also working on concepts to reduce GHG emissions in the supply chain. We encourage our **suppliers** to take action to protect the climate. For Siemens Energy, we intend to reduce our relative Scope 3 GHG emissions from purchased goods and services as well as from transportation and distribution by 30% per procurement volume (€ spent) by fiscal year 2030 (from a 2018 base year).

Measures

The biggest lever for reducing **GHG emissions** is in our products, solutions and services. Accordingly, Siemens Energy plans to continue its transition towards a more sustainable portfolio, based on our three strategic pillars:

- Low- or zero-emission power generation: We are continually developing new products and technologies that have either zero emissions or significantly lower emissions, in both service and new units.
- Transport and storage of electricity: We are developing new products, services and solutions for the transport and storage of electricity, thereby expanding our transmission and hydrogen businesses.
- Reducing GHG footprint and energy consumption in industrial processes: We are helping our process industry customers to decarbonize their existing facilities and ensure sustainable concepts for future installations.

Our **research and development (R&D)** activities are key to the development of the three strategic pillars. Essential elements in developing our broad range of innovative technologies are partnerships and collaboration both within Siemens Energy and with external partners. Siemens Energy established four Global Innovation Centers in Berlin (Germany), Orlando (U.S.), Abu Dhabi (UAE), and Shenzhen (China) to nurture innovation and business development to drive the energy transformation. These centers are set up to co-create with customers and partner with start-ups, industrial partners, and universities. We continue to develop our current Fields of Action, focusing on energy landscape transformation and decarbonization:

- Decarbonized heat and industrial processes,
- Carbon and product circularity,
- Resilient grids and reliability,
- Condition-based service interventions,
- 24/7 carbon-free energy.

SG focuses on developing the next generation of technologies that will lead to improved and more cost-effective products, solutions, and services. It aims to develop reliable and efficient wind turbines for both onshore and offshore applications to reduce the Levelized Cost of Energy (LCoE) and enable seamless integration into the power grid.

For more information about Siemens Energy´s R&D activities including innovative partnerships and collaboration please also refer to chapter **2.1.3 Research and Development** and our **Sustainability Report** chapter **H2 Customers and Innovation**.

Another focus area across all businesses is **digitalization**, e.g., technology-based services such as remote operations or remote services, resulting not only in better performance throughout product and equipment life cycles but also more efficient operation with lower emissions.

At Siemens Energy, we are committed to monitoring progress on climate action and reducing exposure to climate-related risks. Therefore, we conducted an analysis of future markets based on three scenarios which include climate implications. Based on this analysis, the climate implications of our business planning until fiscal year 2030 were evaluated for the base case scenario. Emission reduction levers were evaluated and decided upon.

GHG Reduction Measures

The use of our sold products accounts for over 99% of our overall GHG emissions. The bulk of these emissions shall be reduced through measures such as portfolio adjustments, fuel shifts, and emission removal technologies. We expect most of our reductions in emissions from sold products to happen after fiscal year 2030, since we believe that markets and technologies still need to mature and scale.

To reflect the importance of our products and solutions for decarbonizing energy systems worldwide, at Siemens Energy we have identified the following key reduction levers:

- Coal exit,
- Energy efficiency and digitalization, e.g., waste heat recovery, combined heat and power,
- Increasing renewables and electrification, e.g., transmission, storage, e-drives,
- Fuel shift and GHG-free products, e.g., green fuels, Blue Portfolio of SF_6-free products,
- Emission removal technologies, e.g., carbon capture and storage.

In addition to transforming our portfolio, we have also identified GHG reduction measures for our own operations. The strongest levers for achieving climate neutrality are:

- Reducing energy consumption, including substitution and efficiency measures,
- Using renewable electricity,
- Reducing SF_6 emissions,
- New mobility concepts.

Our suppliers are also an important part of the value chain. As one part of our Carbon Reduction@Suppliers Program, Siemens Energy encouraged in fiscal year 2024 more than 3,400 suppliers who are covering more than 75% of the carbon footprint in its supply chain to participate in its **Decarbonization Due Diligence Assessment** and report on their decarbonization measures.

Performance indicators

Scope 3 emissions from the use of sold products

Scope 3 downstream emissions are calculated based on the GHG Protocol Standards. The main sources for GHG emissions are:

- Products that directly use energy (fuels or electricity) during their operation:
  - CO_2 equivalent (CO_2e) emissions generated through the combustion of fossil fuels (e.g., natural gas in a gas turbine): the amount of CO_2e emissions varies depending on the type of fuel (e.g., natural gas, coal, hydrogen), the energy efficiency of the product (gas turbine, steam turbine, etc.), the operating hours, and the expected lifetime.
  - CO_2e emissions generated by large electrical consumers (e.g., motors, drives, pumps) or from power losses (e.g., transformers) of the used products.
- Products that contain or form greenhouse gases that are emitted during use: To a minor extent, the transmission portfolio might be emitting CO_2e due to SF_6 gas leakages during maintenance or operational use at customer sites.

The methodology for calculating Scope 3 emissions from the use of sold products for the new business in that fiscal year, comprises of the emissions from our products over their expected use phase and the expected operating hours per year. When an order is received, the respective total emissions over the lifetime of the product are determined and reported. GHG emissions that occur during other phases of a product's life cycle, such as in the supply chain, during production, or upon end-of-life disposal, are not accounted for or reported in Scope 3 downstream (use of sold products). The service business is not included in our Scope 3 emissions from the use of sold products. We do not disclose emissions reductions resulting from efficiency increases through service upgrades (of power plants, for example). While not part of our Scope 3 footprint calculations, we are aware that reducing the footprint from our installed base is important to reducing global CO_2e emissions.

	Fiscal year	
Scope 3 emissions from the use of sold products (1,000 metric tons of CO_2 equivalent) and intensity	**2024**	**2023**
Scope 3 emissions from the use of sold products[1]	1,333,642	1,098,370
Intensity (t CO_2e/€ of order intake)	0.027	0.022

[1] Well-to-tank emissions are included (extraction, refining and transportation of the raw fuel sources, prior to combustion), biogenic emissions have been excluded.

During the reporting period, total Scope 3 emissions from the use of sold products at Siemens Energy was 1.334 billion tons of CO_2e. This is an increase of 0.235 billion tons compared to fiscal year 2023, and a decrease of 11 % compared to the base year 2019. The main reason for this increase is comparable increase in order entry for all business areas.

Scope 1 and Scope 2 emissions from own operations

Siemens Energy's total energy consumption during the reporting period was 5.9 million gigajoules (2023: 5.5 million gigajoules). Compared with fiscal year 2023, this is an increase of 8%.

In fiscal year 2024, renewable electricity accounted for 100% of Siemens Energy´s electricity consumption.

Our reporting software enables us to further increase the automated collection of actuals and reduce extrapolations. Over the reporting period, Siemens Energy collected the following data regarding the level of Scope 1 and Scope 2 emissions related to its business activities:

Scope 1 (direct) emissions: Direct GHG emissions arise from energy sources in the company's ownership or under its control.

Scope 2 (indirect) emissions: Indirect GHG emissions refer to the consumption of purchased electrical energy and district heating.

We calculate our emissions resulting from electrical consumption based on carbon emission factors of our local sites according to the market-based approach.

Scope 1 and Scope-2 emissions from own operations (1,000 metric tons of CO_2 equivalent) and intensity	Fiscal year 2024	2023
Scope 1	175	160
Scope 2[1]	22	20
Total	**197**	**180**
Intensity (t CO_2e/€ of revenue)	5.71×10^{-6}	5.78×10^{-6}

[1] We calculate our emissions resulting from electrical consumption based on carbon emission factors of our local sites according to the market-based approach.

During the reporting period, total Scope 1 and Scope 2 emissions from own operations at Siemens Energy was 197 thousand tons of CO_2e. This is an increase of 17 thousand tons of CO_2e compared to fiscal year 2023, and a decrease of 55% compared to the base year 2019.

Scope 3 emissions from purchased goods and services and transportation and distribution

We run our Carbon Reduction@Suppliers Program in cooperation with an external service provider, which offers an economic model based on an input/ output analysis that identifies the CO_2e emissions of all suppliers. With the procurement volume and the material-country combination, the model calculates the CO_2e emissions in the supply chain based on official statistics and studies like Organisation for Economic Co-operation and Development (OECD), World Bank, Intergovernmental Panel on Climate Change (IPCC), U.S. – Bureau of Economic Analysis (BEA) and the U.S. and European environmental agencies applying a spend based method.

The calculated emission intensity for Scope 3 emissions from purchased goods and services and transportation and distribution for fiscal year 2024 at Siemens Energy was 0.408 kg of CO_2e/€ which is 1 % lower compared to fiscal year 2023 and 20 % lower compared to the base year 2018 (baseline calculation partially extrapolated).

Scope-3 emissions from purchased goods and services and transportation and distribution (1,000 metric tons of CO_2 equivalent) and intensity	Fiscal year 2024	2023
thereof category "purchased goods and services"	8,395	8,456
thereof category "transportation and distribution"	843	775[1]
Total	**9,238**	**9,230**
Intensity (kg CO_2e/€ of purchasing volume)	0.408	0.414

[1] 325 thousand tons of the 775 thousand tons CO_2e emissions were calculated using a consumption-based method.

2.10.2.2 Employee-related matters

We are a global employer with a workforce of around 156 nationalities. Our employees and our company culture, as well as our people strategy aligned with our company strategy, values, and behaviors are a strong foundation with which we aim to be the differentiator in the market for our customers, investors, suppliers, partners, employees, and society. We strive to be the employer of choice in the energy industry and to attract, develop and retain a future-ready workforce. We focus on creating diverse, inclusive, and welcoming workplaces where people can unleash their full potential. Our workplace environment is open to everybody regardless of their ethnic origin, religion, world view, age, disability, skin color, gender, sexual orientation, gender identity and gender expression.

In addition, a core objective for Siemens Energy is to provide a safe and healthy working environment for all employees, partners, contractors and suppliers, amongst other things, by focusing our attention on avoiding accidents and occupational illnesses and work-related mental health risks.

To underline that people are a top management priority for Siemens Energy, the Human Resources (HR) organization is led by the Labor Director, Tim Holt, a member of the Executive Board. The Global Head of HR has operational responsibility for all HR policies, processes, and products. A team of Global and Regional HR Business Partners as well as Global Competence Centers ensure implementation and execution of the People Agenda and its defined activities across Siemens Energy globally. To emphasize the relevance of Inclusion and Diversity (I&D) for Siemens Energy, our Chief Financial Officer, Maria Ferraro, is also Chief Inclusion and Diversity Officer.

To enable and prepare the company for the future, Siemens Energy is pursuing its People Agenda, our people strategy. Including its solutions and strategic initiatives, it is designed around three main building blocks: Thriving Environment, Game-changing Leaders and Vibrant Workforce. The implementation of all solutions and initiatives is still ongoing at SG and is planned as part of the integration.

Targets

Inclusion and Diversity

With our focus on I&D, we aim to:

- have access to broader talent pools from which to source the diverse capabilities we need to power our innovation.
- bring together different experiences and perspectives to solve the complex challenges in our industry.
- become more productive through faster, effective decisions with less cognitive bias.
- enhance our reputation while being representatives of the communities we serve.

Siemens Energy aims to reach a share of 25% women in top leadership positions by September 30, 2025, and a share of 30% women in top leadership positions by September 30, 2030. As part of the integration activities, SG has adopted the gender targets of Siemens Energy. Progress toward these goals will therefore be reported jointly from this year onward.

Talent attraction, people development and retention

Our ambition is to become the employer of choice in the energy industry. In a competitive and volatile environment, competition for talent remains a key challenge. Therefore, attracting, hiring, developing, and retaining a diverse talent pool is key for our future success and one of our top strategic priorities. Our goal is to continuously develop a robust workforce that is prepared for the challenges of the energy transition.

Health and Safety

Ensuring a safe and healthy working environment for all employees, partners, contractors, and suppliers is a core objective for Siemens Energy.

To achieve the core objective, our priority is to permanently foster a strong zero harm culture with responsible health and safety practices across the organization. The focus on safe working and healthy employees is our key strategy. In connection with health, Siemens Energy aims to provide support for people with mental health needs and to drive initiatives to promote behavior and create a working environment that will positively impact mental health.

Measures

Inclusion and Diversity

At Siemens Energy, amongst others, the following measures were taken in fiscal year 2024, in addition to the measures established in the last years:

- Implementation of a group-wide I&D Policy that establishes the foundation of our I&D strategy and represents our commitment to responsible businesses.
- Publication of a “Preventing Harassment and Discrimination at Work” instruction, which reinforces the commitment to a workplace where everyone feels safe, respected, and valued.
- Conducting of a voluntary and anonymous self-identification survey to provide employees with the opportunity to share personal information – such as their ethnicity, disability status, gender identity, and sexual orientation. The results provided valuable insights allowing us to tailor our programs.
- In Germany, launch of a career support initiative for Ukraine refugees in collaboration with the Federal Job Agency. The initiative aims to support employment and social integration.
- Extension of the strategic partnerships by joining the International Labor Organization Global Business Disability Network and by supporting the UN Standards for Tackling Discrimination against LGBTQIA+ people and the UN Women Empowerment Principles.
- Development of an Accessibility Sharepoint which bundles accessible technology and solutions to provide employees with the tools that best support their individual needs.

In addition, support of a number of specific events such as:

- Global Diversity Awareness Month to promote cultural intelligence for an inclusive workspace through global training.
- International Women’s Day, 54 virtual and face-to-face events conducted globally.
- Pride celebrations, with several events hosted to address bias and provide tools for better allyship.
- International Day for Persons with Disabilities to help develop assistive technology trainings and celebrate the contribution of people with disabilities around the world.

Talent attraction, people development and retention

Talent attraction, people development and retention take place across a broad spectrum at Siemens Energy. Some examples of our measures are:

- Our strong employer brand, internally and externally, is crucial for our company's success. It aims to attract top talent, foster employee engagement and retention, enhance our competitive advantage, and demonstrate what we stand for and can offer as an employer. In fiscal year 2024, we were recognized as “Best Place to Work” in the U.S. by the job portal Glassdoor. We focus on further strengthening our employer brand through several activities, including, conducting an annual brand health assessment, releasing an Employer Branding Playbook, targeted global and local advertising campaigns, building a strong social media presence and tracking key performance indicators. SG was pursuing separate activities. During the upcoming integration planning, we will identify and plan possible roll-out and harmonization opportunities.

- We strive to attract young talents to our workplaces and encourage them to contribute to our thinking while also promoting positive collaboration and dialogue among different generations. Some examples of our early career offerings are the vocational training in Germany or the Siemens Energy Graduate Program, which is a two-year experience for recent master and doctoral graduates or equivalents.
- Our performance management approaches at Siemens Energy are designed to accelerate individual development and create high-performing teams. The processes are built around constant dialogue and feedback, individual goals, growth dialogues and regular "Check ins" throughout the year.
- Siemens Energy launched its leadership development landscape with several leadership development programs, targeting leaders at different stages of their career to build a strong and diverse leadership pipeline.
- Our Learning platforms offer employees worldwide access to e-learning modules as well as trainer-led training options and coaching in different languages. They offer a variety of options to enable the self-driven and targeted development of both leaders and employees.
- Siemens Energy strives to offer benefits programs based on local market practice that are attractive, fair and inclusive. Examples include the offering of market competitive retirement plans in 60 countries or long service awards. The benefits are not yet harmonized with our Business Area SG. During the upcoming integration planning, we will identify and plan possible roll-out and harmonization opportunities.
- Siemens Energy continuously strives to provide competitive and fair compensation levels to attract, retain and reward talents. To do so, we consider a variety of internal and external factors that are consistent with our corporate culture and values, such as internal pay equality, external competitiveness and a strong link between pay and performance.

Health and Safety

To support the fundamental requirements for good Occupational Health and Safety (OHS), Siemens Energy´s Environment, Health and Safety (EHS) Policy aligns with our Zero Harm principles and behaviors. The Siemens Energy Zero Harm Framework is intended to drive a strong Zero Harm culture, placing responsibility on each local manager to develop and implement the Zero Harm Framework and to discuss with their teams elements that will be included in their program, then reinforce them as part of daily work. Alongside the EHS Policy, the ISO 45001 standard provides a basis for effective management, identification of potential risks as well as internal audit and review. Contractors and temporary workers are expected to work to the same standards as those of Siemens Energy employees. We discuss accidents involving contractors with them and hold meetings with suppliers with the highest level of accidents. All relevant data is shared with the Executive Board.

In fiscal year 2024, we implemented a global review process of Lessons Learned (LLs) for all recordable incidents and high potential near misses. The LLs are reviewed for completeness and applicability for other areas of the business. If they are deemed applicable, a global action is assigned via the reporting tool. All LLs are stored in a central repository, which is accessible to all employees.

Siemens Energy completed internal Occupational Safety Audits related to a location's risk factors. Audits were conducted at site and organizational levels to maintain and increase the effectiveness of our safety risk management at manufacturing, service and project sites.

Mental health topics are regularly communicated within the organization via multiple channels and local initiatives. Campaigns and trainings are organized to promote mental health awareness (e.g., stress management, burnout prevention). Risk assessments to protect mental health are carried out to identify potential stressors and define support measures to mitigate the risks in collaboration with management and employees.

In fiscal year 2024, SG released the Zero Harm Framework to reinforce commitment to safety in alignment with the Siemens Energy Zero Harm Framework. Furthermore, a "Just and Fair Culture Guidance" was released in SG with the aim of providing managers with a toolkit to define clear boundaries between behavior considered acceptable and unacceptable. This aims to ensure that unacceptable or unsafe behaviors can be assessed and managed in a consistent, timely, just, fair and appropriate manner by taking appropriate action to avoid reoccurrence and support lessons learned, and to recognize that exceptional or above and beyond team and individual performance should be acknowledged and rewarded.

SG continuously implements health and safety improvements at the production facilities and across SG´s operational and project sites.

Maintaining the health, safety and wellbeing of Siemens Energy employees is a core value. It is an essential part of risk management and internal controls, as well as of the Siemens Energy **Business Conduct Guidelines**.

Performance indicators

Inclusion and Diversity

Siemens Energy reached a share of 24% women in top leadership positions by September 30, 2024 (2023: 26%).

Talent Attraction, People Development and Retention

In fiscal year 2024, Siemens Energy spent around €91 million on further education (2023: €~80 million), an average of €933 per employee (2023: € 856).

Siemens Energy employees spent an average of 13 hours on formal learning activities in fiscal year 2024 (2023: 12 hours).

Health and Safety

The overall Lost Time Injury Frequency Rate (LTIFR) for employees was 1.28 at the end of fiscal year 2024 (2023: 1.34) and is based on the total number of lost time injuries per 1 million hours worked. The overall Total Recordable Injury Rate (TRIR) for employees was 2.33 at the end of fiscal year 2024 (2023: 2.61). During the reporting period, Siemens Energy regrettably had six work-related fatal accidents. (2023: two). Three fatalities related to an explosion, one from electrical shock, one to car accident during business travel, and one crush from moving platform. Each serious

event or fatal accident causes grief for families, friends, and colleagues. As a company, we thoroughly investigate and assess the circumstances and consequently derive measures to prevent such accidents from happening again. The measures described above are a consequence of the TRIR and fatalities reported during the fiscal year.

LTIFR[1]	Fiscal year 2024	2023
LTIFR of employees[2]	1.28	1.34

[1] Lost Time Injury Frequency Rate: Number of lost time injuries (LTI) x 1,000,000/work hours performed. LTIs are accidents that result in at least one lost day of work.
[2] Incl. temporary workers; excl. contractors

TRIR[1]	Fiscal year 2024	2023
TRIR of employees[2]	2.33	2.61

[1] Total Recordable Injury Rate: Number of recordable injuries (TRI) x 1,000,000/work hours performed. Recordable injuries are accidents that result in lost time, restricted work, or medical treatment.
[2] Incl. temporary workers; excl. contractors

Fatalities[1]	Fiscal year 2024	2023
Employees	2	0
Contractors	4	2

[1] Excluding cases beyond Siemens Energy's influence (e.g., force majeure, third-party violence) or outside of Siemens Energy's scope of responsibility, e.g. factory of contractor impacting contractor staff.

2.10.2.3 Respect for human rights

Siemens Energy affects people and the environment all around the world, especially in the course of large energy projects. We are conscious of the **responsibility** that this global impact brings and consider respect for human rights to be a core element of responsible business conduct along the entire value chain. Therefore, Siemens Energy is committed to ensuring respect for human rights beyond compliance with applicable laws and regulations. This includes our commitment to:

- **International Bill of Human Rights**, consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights,
- **European Convention on Human Rights,**
- **International Labour Organization (ILO)** Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, ILO Declaration on Fundamental Principles and Rights at Work (in particular: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association and the right to collective bargaining) and fundamental freedoms,
- **UN Sustainable Development Goals (SDG)**, specifically SDG 8 "Decent Work and Economic Growth", which we have defined as one of our priority SDGs,
- **United Nations Guiding Principles on Business and Human Rights** (UNGPs),
- **OECD Guidelines for Multinational Enterprises,**
- **UN Global Compact principles**, to which we are a signatory,
- **Global Framework Agreement** (GFA) on fundamental rights of workers.

Targets

Our target is to uphold responsible business conduct and ensure respect for human rights within our spheres of influence. We aim to identify, manage, and mitigate human rights impacts and risks throughout our entire value chain.

Measures

Siemens Energy's risk analysis has identified the following human rights risk areas for our own business area and our suppliers:

- **Freedom of association (collective bargaining),**
- **Health and safety at work,**
- **Prohibition of discrimination,**
- **Fair remuneration,**
- **Prohibition of forced labor,**
- **Respect for human rights by security forces,**
- **Ban on child labor.**

The results of the risk analysis flow into our corporate decision-making processes and help us identify appropriate preventive measures.

In the reporting period Siemens Energy maintained its regular exchange with networks such as econsense, a German sustainability network of internationally operating companies, particularly with a view to new legal developments like the European Corporate Sustainability Due Diligence Directive.

Our commitment to respecting human rights is anchored in the Siemens Energy and SG **Business Conduct Guidelines (BCGs)**. Both BCGs are binding for all executives and employees worldwide. To enforce the commitment to the BCGs, employees of Siemens Energy and SG are trained in the respective requirements of the BCGs and are requested to acknowledge them as part of their conditions for employment.

Our Group Compliance Officer Anita Schieffer, who is at the same time Human Rights Officer monitors and reports on human rights compliance to the Executive Board on a regular and ad hoc basis.

The Siemens Energy Policy Statement on Respect for Human Rights and Environmental Protection is published on the Siemens Energy Global website. It has been communicated to its employees, thus further raising awareness on human rights.

During the reporting period, business partners in the **supply chain** were required to comply with the **Code of Conduct for Suppliers and Third-Party Intermediaries (CoC)**. With regards to human rights, the CoC emphasizes respect for the basic human rights of employees, including fair remuneration, freedom of association, health and safety standards, and the prohibition of discrimination, forced labor, child labor, impact on communities, security forces and protection of natural resources. To support our suppliers, we continue to offer training on sustainability in the supply chain.

To further strengthen Siemens Energy's Supplier Sustainability Risk Management System, we assess the risks of our suppliers and their scope of supply by considering all risk categories that are addressed by the German Supply Chain Due Diligence Act. This risk indication is not limited to country risks, but also includes commodity-specific risks. On this basis, high-risk suppliers are prioritized for the performance of external sustainability audits.

A dedicated team at Siemens Energy conducts human rights due diligence on **customer projects**. This is mandatory in the sales phase of projects that meet defined risk criteria. In these activities, Siemens Energy relies on external environmental, social and governance (ESG) databases focusing on country-, customer- and project-related risks. The results of the due diligence including recommendations for any mitigation measures guide the project's decision-making process.

Any violations of human rights associated with our areas of influence can be reported via our **grievance mechanisms**, including communication channels such as our **"Speak Up"** reporting system and **ombudsperson**. Our rules of procedure for the handling of complaints via our grievance mechanism are available on Siemens Energy's global website.

In addition, Siemens Energy is committed to preventing the use of minerals from conflict-affected and high-risk areas that impose a threat on human rights. Therefore, Siemens Energy implemented its **Responsible Minerals Sourcing Policy,** which follows the risk-based requirements of the OECD Due Diligence Guidance. To determine the use, source and origin of these minerals in our supply chains, we investigate the smelters involved.

Based on risk sources identified by the EU, which cover armed conflicts, weak governance and human rights abuses, Siemens Energy also conducts a specific mineral risk assessment to identify other relevant minerals apart from tin, tantalum, tungsten and gold. After cobalt, copper, rare earths and mica, we added lithium, nickel, graphite and iron ore to our supply chain due diligence processes according to the 5-step framework of the OECD Due Diligence Guidance. In addition to our Responsible Minerals Initiative (RMI) membership and strategic partnership with the European Partnership for Responsible Minerals (Chair of Governance Board), we are actively engaging as member of Copper Mark.

2.10.2.4 Anti-corruption and bribery matters

Siemens Energy operates globally with customers from a wide range of industries in both the public and private sectors. Consequently, the company is confronted with a complex regulatory framework. Compliance with regulations and integrity are the foundations for all our decisions and activities. Siemens Energy top management supports this with a strong tone from the top, which is mirrored throughout the entire organization.

Siemens Energy believes that anti-corruption measures and strong compliance systems protect our company, employees, and shareholders from misconduct. The eradication of bribery and corruption is instrumental in cultivating fair competition, thereby bolstering the prospects of innovation-driven enterprises such as Siemens Energy. This in turn contributes to the advancement of economic growth and social development for nations and their populace.

The Siemens Energy approach to Compliance is based on three levels of action: "prevent, detect, respond". These are grounded in management responsibility and are comprised of focus areas including Anti-Corruption, Anti-Money Laundering, Antitrust, Collective Action, Data Privacy, Export Control and Human Rights, all of which are reflected in our BCGs. SG is fully integrated into the compliance system of Siemens Energy since June 2024. SG's BCGs comply with the standards of Siemens Energy.

The Legal and Compliance Department falls directly under the purview of our CEO, with a direct reporting line. In addition, the Siemens Energy Group Compliance Officer has direct access to the Executive Board and Supervisory Board and reports regularly on Siemens Energy compliance matters. Compliance at Siemens Energy combines central governance with a global network of qualified compliance officers who aim

to ensure its worldwide implementation. These compliance professionals work closely with employees and managers who assume personal responsibility for compliance in their respective areas.

Targets

Siemens Energy maintains a **zero-tolerance approach to compliance violations**. This approach requires continuous effort to sustain and develop a holistic compliance system, consisting of measures to ensure that business is always conducted in accordance with the law, as well as our internal principles and rules. In this way, we seek to ensure that our values and reputation are protected.

Measures

We continuously adapt and improve our compliance system and tool landscape to mitigate challenges inherent in our business activities and those arising from changing market conditions. Preventive measures include Siemens Energy's compliance risk management, compliance training program, and communication channels such as our **"Speak Up"** reporting system and **ombudsperson**, as well as the **"Integrity Hotline"** at SG. They also include our guidelines and procedures such as the Siemens Energy and SG **Business Conduct Guidelines** which lay the foundation for our internal regulations. Collectively, these measures give expression internally to the values, compliance-related responsibilities, and behavioral framework for all managers, employees, and Executive Board members worldwide. Externally, for our business partners, compliance with our **Code of Conduct** focusing on legal compliance and anti-corruption is mandatory, including provisions to counter anti-competitive practices and conflicts of interest.

Siemens Energy maintains ongoing compliance awareness. Our global **compliance training program** targets all managers and employees in positions with a specific risk profile. Those selected are required to complete mandatory compliance training. It consists of instructor-led as well as e-learning courses and is continuously adapted to the changing risks facing our business.

An integral part of our compliance approach is **compliance risk management**. In fiscal year 2024 an annual assessment of compliance risks was again carried out. Identified risks were addressed through both local and central measures and monitored through dedicated workshops and IT-tools.

Performance indicators

Siemens Energy responds to any alleged violation of external or internal rules in accordance with established company-wide processes. Once a compliance investigation has been completed and a compliance violation has been proven, we take appropriate disciplinary action. In such circumstances our internal processes provide guidance to ensure that proper actions are taken with those involved. Proportional consequences are evaluated and defined through established disciplinary processes. Moreover, the implementation of consequences is systematically monitored.

	Fiscal year	
Siemens Energy Compliance indicators	**2024**	**2023**
Compliance cases reported[1]	147	126
Disciplinary sanctions[2]	104	75
thereof		
warnings	*30*	*41*
dismissals	*67*	*28*
other[3]	*7*	*6*

[1] Compliance cases include but are not limited to cases on our focus topics Anti-Corruption, Anti-Money Laundering, Antitrust, Data Privacy, Export Control, Human Rights.

[2] Numbers for disciplinary sanctions in a fiscal year do not necessarily correspond to cases reported during that period: Sanctions are frequently not implemented in the same fiscal year in which the case was reported or the investigation – that follows a defined process – was completed. In addition, a single case may result in multiple sanctions, or none at all.

[3] Includes loss of variable and discretionary compensation components, transfer and suspension, but not the revocation of signatory rights.

Our internal reviews in the course of our compliance risk management, inter alia knowledge gained in the course of compliance investigations and audits performed by our internal audit function together with the evaluation of case statistics, indicate that our compliance system is well-designed and effectively implemented. Based on the nature of our businesses, the environments in which we operate and the wide range of different geographical regions, we do not regard the number of incidents as unusual.

To date, apart from a single legacy matter with respect to Siemens Energy, Inc. mentioned in chapter **3.6 Notes to the Consolidated Financial Statements, Note 18 Legal proceedings,** there have been no significant issues of non-compliance that have resulted in material monetary fines or non-monetary sanctions like the withdrawal of trading licenses or licenses to operate in highly regulated industries.

With regard to the process for identifying significant issues of non-compliance and further information on non-compliance matters, please refer to chapter **2.8 Report on the internal control and risk management system and material risks and opportunities**, see also chapter **3.6 Notes to the Consolidated Financial Statements, Note 18 Legal proceedings**.

2.10.2.5 EU Taxonomy

The EU Taxonomy is a central component of the European Union's Green Deal and Sustainable Finance Action Plan, which aim to achieve climate neutrality in the EU by 2050. To achieve the goals of the Green Deal, capital flows are to be directed specifically into sustainable projects and

companies. The Regulation (EU) 2020/852 and the supplementing delegated acts, hereafter referred to as Taxonomy Regulation, serve as a standardized and binding classification system to determine which economic activities in the EU are considered "environmentally sustainable".

The Taxonomy Regulation distinguishes between "taxonomy-eligible" and "taxonomy-aligned" economic activities. Economic activities are eligible if they can be assigned to at least one of the activity descriptions within the criteria catalog of the Taxonomy Regulation. Economic activities are taxonomy-aligned (and thus environmentally sustainable) if they meet the Taxonomy criteria for the corresponding economic activity by making a significant contribution to at least one of the six environmental objectives defined by the Taxonomy Regulation ("Substantial contribution criteria"), while not significantly impairing any of the other environmental objectives ("Do no significant harm") and meeting minimum standards regarding occupational safety, social standards, and human rights ("Minimum safeguards").

As a result of the Environmental Delegated Act (EU 2023/2486) on the EU Taxonomy Regulation adopted on June 27, 2023, concerning the four environmental objectives "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control", and "protection and restoration of biodiversity and ecosystems", and the accompanying publication of amendments by the Climate Delegated Act (EU 2023/2485) for the environmental objectives "climate change mitigation" and "climate change adaptation", the reporting obligation for fiscal year 2024 extends to all six environmental objectives of the regulation for the first time. In fiscal year 2024, only an assessment of taxonomy eligibility in relation to the newly introduced environmental objectives was to be carried out. Assessment of taxonomy alignment will become mandatory in fiscal year 2025. Siemens Energy has already voluntarily assessed the taxonomy alignment in fiscal year 2024.

The EU Taxonomy contains formulations, terms and definitions that are currently partly subject to interpretation uncertainties and whose subsequent clarification by the EU could lead to changes in reporting.

Taxonomy-eligible economic activities

Based on the delegated acts of the EU Taxonomy for all six environmental objectives, including the economic activities in the area of natural gas and nuclear energy, an in-depth analysis carried out in fiscal year 2024 revealed that climate change mitigation continues to be the environmental objective considered most relevant for Siemens Energy. In addition, the newly introduced environmental objective of circular economy (CE) was applicable.

The following economic activities at Siemens Energy constitute the largest shares of taxonomy-eligible economic activities in revenue, capital expenditures and operating expenditures:

- 3.1 Manufacture of renewable energy technologies
  (Essentially, the manufacture and installation of wind turbines for the generation of renewable energy by the Business Area SG is classified under this economic activity),
- 4.29 Electricity generation from fossil gaseous fuels
  (This economic activity includes significant parts of the portfolio of the GS Business Area, such as the construction of gas and steam turbines and the associated services and, to a limited extent, the development of hydrogen-capable turbines - see also the following explanations),
- 4.9 Transmission and distribution of electricity
  (The solution portfolio of the GT Business Area is included under this economic activity. GT's solution portfolio includes flexible AC transmission systems, offshore wind farm grid connections, high voltage direct current transmission systems and high voltage substations - see also the following explanations),
- 3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation
  (Significant parts of the product portfolio of the GT Business Area are included under this economic activity. GT's product portfolio includes, for example, air- and gas-insulated switchgears, circuit-breakers, capacitors as well as power and distribution transformers - see also the following explanations),
- 4.3 Electricity generation from wind power
  (This economic activity includes services such as maintenance to ensure the proper operation of the wind farms provided by the Business Area SG).

Significant parts of the portfolio of the Business Area GS were considered by Siemens Energy to be taxonomy-eligible under the natural gas-related economic activity 4.29 based on a teleological interpretation. For operators of electricity generation facilities that generate electricity from fossil gaseous fuels using gas and steam turbines, the offering by the GS Business Area is a prerequisite. The offering includes the design, production, installation and commissioning of gas and steam turbines as well as services (see also **2.1.2 Business model**). The highly complex turbines are individually produced for the operator and form the basis of the respective power generation facilities. GS ensures full functionality by providing support during installation and commissioning as well as accompanying services. The description of the economic activity 4.29 requires the "construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels". However, the terms "construction" and "operation" are not clearly defined in the activity description. From Siemens Energy's perspective, given the GS business, these terms require an interpretation. In Siemens Energy's understanding, the term "construction" includes activities such as the creation of customer-specific designs, and the production and installation of products and solutions. The term "operation" includes activities such as commissioning, maintenance, and retrofitting, which are necessary for the functionality and performance of the facilities. During the "construction" phase, GS is responsible for the production of turbines and transportation, supervision of installation, and functional testing. During commercial "operation" by the facility operator, GS supports with regard to the commissioning, availability, reliability, and performance of the turbines. GS ensures functionality during the regular warranty phase and by means of long-term service contracts over the entire service life of a turbine.

Large parts of the solution portfolio of the Business Area GT were considered by Siemens Energy to be taxonomy-eligible under economic activity 4.9 by analog interpretation. A portfolio such as that of the Business Area GT is a prerequisite for meeting the requirements of a complex and global network for the transmission and distribution of electricity. The respective products are individually designed according to customer-specific technical requirements and are part of tailor-made systems or solutions, both for high-voltage transmission and for the voltage levels of the distribution systems. GT offers a wide range of services that enable and ensure stable and efficient operation of the power grid (see also **2.1.2 Business model**). The description of economic activity 4.9 includes the "construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system" as well as the "construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems". The terms "construction" and "operation" are not clearly defined in the activity description. From Siemens Energy's perspective, given the GT business, these terms require an interpretation. The understanding of the terms explained in the course of the interpretation of economic activity 4.29 also applies to the GT Business Area. The solution portfolio of the Business Area GT includes activities such as the creation of customer-specific designs, the production and installation of products and solutions as well as the commissioning, maintenance and retrofitting necessary for the functionality and performance of an efficient network. Long-term service contracts in particular ensure continuous grid availability.

The Commission Delegated Regulation (EU) 2023/2485 of June 27, 2023, amending Delegated Regulation (EU) 2021/2139, added the economic activity 3.20 to the Taxonomy Regulation. The economic activity 3.20 "develops, manufactures, installs, maintains or services electrical products, equipment or systems, or software aimed at substantial GHG emission reductions in high, medium and low voltage electrical transmission and distribution systems through electrification, energy efficiency, integration of renewable energy or efficient power conversion". The product portfolio of the GT Business Area corresponds to this activity description, which is why, since fiscal year 2024, it has been reported as taxonomy-eligible under the more suitable activity 3.20 instead of under economic activity 4.9. However, the solution portfolio of the GT Business Area was still reported as taxonomy-eligible under economic activity 4.9 based on the interpretation set out above. A year-on-year comparison regarding these two economic activities is therefore only possible to a limited extent.

Assessment of taxonomy alignment

Substantial contribution criteria

To be classified as taxonomy-aligned, the taxonomy-eligible economic activities identified by Siemens Energy first need to make a substantial contribution to at least one of the environmental objectives. For this purpose, the necessary activity-specific criteria used to determine whether an economic activity makes such a substantial contribution are assessed, verified, and documented by appropriate technical and commercial experts on a decentralized basis for each Siemens Energy economic activity.

Do no significant harm (DNSH)

In addition, economic business activities can only be classified as taxonomy-aligned if they do no significant harm to the other environmental objectives. Based on the criteria specified in Article 17 (EU 2020/852) and the annexes to the delegated acts of the Taxonomy Regulation, taxonomy-eligible economic activities that meet the criterion for a substantial contribution are reviewed, verified, and documented regarding compliance with the DNSH criteria based on implemented processes and certifications. Whereas Siemens Energy corporate functions centrally provide governance and monitoring, the implementation and execution of the DNSH assessments is done by the Business Areas.

Essential evidence for the adaptation to the impacts of climate change includes conducting climate risk assessments and deriving measures to address the identified climate risks for relevant Siemens Energy sites. These assessments are based on the Representative Concentration Pathway (RCP)-4.5 and 8.5 scenario from the Intergovernmental Panel on Climate Change (IPCC) with a time horizon of 2060, and the identified physical climate risks are analyzed and addressed in appropriate adaptation plans.

The criteria regarding sustainable use and protection of water and marine resources are essentially implemented in our environmental management system with ISO 14001 certifications, which cover all relevant Siemens Energy sites. Implementation by the Business Areas is supported by our Zero Harm Framework and internal EHS guidelines.

Siemens Energy's environmental management system is an essential component for environmentally sound waste management in production and customer projects on-site. Life cycle analyses are carried out for the relevant portfolio elements, covering the requirements of the criterion for the transition to a circular economy. They also address the prerequisites for the sustainable use of materials and consumables.

Regarding the objective of pollution and prevention control in relation to the use and presence of chemicals, Siemens Energy has implemented guidelines for product design and manufacturing processes with monitoring processes based on existing regulations and directives (e.g., EU Regulation 2019/1021 or 2017/852 and Annex XVII of EC 1907/2006, REACH Directive). This also includes the assessment of substances that may be exceptionally permitted if they cannot be substituted and are used under controlled conditions in accordance with the EU Regulation 2021/2139 Appendix C lit. (f) and fit into the "essential use concept" (EU Guidance Criteria C/2024/2894). Siemens Energy uses the Product Lifecycle Management Process to review the products and materials and ensure compliance with relevant standards and regulations from EU Regulation 2021/2139 and EU Regulation 2023/2485. Additionally, we are strengthening our focus on EcoDesign during these design reviews with specific guidelines and checklists.

The requirements for the protection and restoration of biodiversity and ecosystems are also integrated into our environmental management system and Zero Harm Framework. Environmental regulatory requirements and additional requirements from the DNSH criteria have been assessed and defined measures are implemented.

The monitoring systems for the aforementioned requirements include an Integrated Management System with reporting and measurement of essential parameters, as well as internal and external audits.

Minimum safeguards

Finally, compliance with the criteria for minimum safeguards as a requirement for taxonomy-alignment in accordance with Article 18 (EU 2020/852) of the Taxonomy Regulation is assessed across all activities at Group level, taking into account the recommendations of the EU Sustainable Finance Platform of October 2022 on the four core topics of human rights (including employee rights), bribery and corruption, taxation, and fair competition. The minimum safeguards at Siemens Energy are addressed by established processes, documentation and the internal control and risk management system, which includes a compliance system with an established whistleblower system and the implementation of Siemens Energy's Business Conduct Guidelines and the associated guidelines and controls on anti-corruption, antitrust law, data protection, anti-money laundering and export controls. In addition to that, we conduct annual and ad hoc human rights and environmental risk analyses (see also **2.8 Report on the internal control and risk management system and material risks and opportunities**).

Taxonomy-aligned economic activities

The following economic activities at Siemens Energy constitute the largest shares of taxonomy-aligned economic activities in revenue, capital expenditures and operating expenditures:

- 3.1 Manufacture of renewable energy technologies,
- 4.9 Transmission and distribution of electricity,
- 4.3 Electricity generation from wind power,
- 3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation.

The activities of Siemens Energy reported under the identified economic activity 3.1 Manufacture of renewable energy technologies are almost fully taxonomy-aligned, as the criteria for a substantial contribution are basically identical to the description of the economic activity and there is no violation of DNSH criteria or minimum safeguards.

The economic activity 4.9 Transmission and distribution of electricity was identified as a significant taxonomy-eligible economic activity. The activities of the Business Area GT reported under economic activity 4.9 are for the most part taxonomy-aligned. Supplies and services that are not provided to the interconnected European system (interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems) and/or do not increase the generation or use of electricity from renewable energy sources do not make a substantial contribution to climate change mitigation and are therefore not taxonomy-aligned.

The activities of the Business Area SG reported under the identified economic activity 4.3 Electricity generation from wind power are fully taxonomy-aligned. In accordance with the activity description, the technical screening criteria of activity 7.6 were applied. In contrast with the previous year, compliance with the DNSH criteria for the provision of services for wind farms was fully demonstrated due to improved DNSH assessment and documentation processes.

The activities of the Business Area GT reported under the identified economic activity 3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation are taxonomy-aligned only to a lesser extent as the required technical screening criteria are not met in some cases. The products manufactured by GT that are associated with this activity primarily consist of transformers, switchgears and switchboards. For transformers manufactured for the European market, compliance with the mandatory EcoDesign guidelines has been ensured. For transformers destined for markets outside Europe, although there is the possibility of compliance, no verification has been carried out according to EcoDesign guidelines. Switchboards from the SF_6-free portfolio can be classified as taxonomy-aligned because they meet the standards EN 62271-200 or EN 62271-203 and have a Global Warming Potential (GWP) below 10 for the insulating gas. Air-insulated switchgears are not covered by these switchboard-specific standards and therefore cannot be designated as taxonomy-aligned under activity 3.20.

The economic activity 4.29 Electricity generation from fossil gaseous fuels was identified as a significant taxonomy-eligible economic activity. However, only a small proportion of the activities of the Business Area GS reported under economic activity 4.29 are taxonomy-aligned. This applies in particular to activities involving hydrogen. The construction of gas and steam turbines, on the other hand, and the associated services do not currently make a substantial contribution to climate change mitigation according to the Taxonomy Regulation, as the required technical screening criteria are not met.

Determination of taxonomy key indicators

The taxonomy key indicators are based on the consolidated financial statement of Siemens Energy in accordance with IFRS. All fully consolidated Group companies were included in this analysis.

Revenue, capital expenditures, and operating expenditures were allocated to taxonomy-eligible and taxonomy-aligned economic activities on the basis of the information in the financial reporting systems. Various verification steps (including the documentation of data generation and the reconciliation with other financial information) prevent any double counting of economic activities. Revenues were classified in terms of their taxonomy-eligibility or alignment when the order is accepted and parts of the operating expenditures during regular research and development controlling. In the case of non-research and development related operating expenditures (short-term lease, building renovation measures, maintenance and repair), appropriate allocation methods were used on the basis of taxonomy-eligible and taxonomy-aligned revenues or, in the

case of real estate related operating expenditures, on the basis of taxonomy-eligible and taxonomy-aligned capital expenditures. While in the previous year, capital expenditures were still classified in terms of their taxonomy-eligibility or alignment when deciding on the respective investment application, the approach changed with the introduction of FAQ No. 30 to the Disclosures Delegated Act under Article 8 of Taxonomy Regulation (C/2023/305). With the exception of real estate related capital expenditures, which continued to be classified when the respective investment application was made, all other capital expenditures were classified entirely using appropriate allocation methods. Taxonomy-eligible small-scale activities were shown as taxonomy-non-eligible in the taxonomy tables for reasons of materiality and clarity. In some cases, this led to reported activities in the area of investments and operating expenditures without corresponding revenue.

The **revenue** reported in the consolidated income statement of Siemens Energy amounted to €34,465 million in fiscal year 2024 (2023: €31,119 million, see also **3.1 Consolidated Statements of Income**). €25,567 million (2023: €22,834 million) of revenue was taxonomy-eligible, which corresponds to a share of 74.2% (2023: 73.4%). Thereof, €14,769 million of revenue was taxonomy-aligned in fiscal year 2024 (2023: €11,678 million), representing a share of 42.9% (2023: 37.5%). As in the prior year, all revenues were derived from contracts with customers. The share of taxonomy-eligible revenue increased only slightly. By contrast, the share of taxonomy-aligned revenue increased disproportionately, which is mainly due to economic activity 4.3. In fiscal year 2024, it was possible to fully demonstrate compliance with DNSH criteria for the provision of services for wind farms. This meant that all revenue from economic activity 4.3 could be declared as taxonomy-aligned. In the previous year, only a small portion of the respective revenue was taxonomy-aligned.

Capital expenditures under the EU Taxonomy are based on additions to tangible and intangible assets during the fiscal year (before depreciation and any re-measurements for the respective fiscal year), including those resulting from business combinations. Expenditure on acquired goodwill is not included, while acquired rights of use arising from leases are to be included in the EU Taxonomy key figure.

For fiscal year 2024, total capital expenditures to be considered according to the EU Taxonomy amounted to €2,098 million (2023: €1,813 million, see also **3.6 Notes to Consolidated Financial Statements** in **Note 10 Other intangible assets and property, plant and equipment**). €1,752 million (2023: €1,308 million) of capital expenditures were taxonomy-eligible, which corresponds to a share of 83.5% (2023: 72.2%). Thereof, €1,358 million capital expenditures were taxonomy-aligned in fiscal year 2024 (2023: €924 million), representing a share of 64.7% (2023: 51.0%). As in the prior year, the taxonomy-aligned capital expenditures are mostly related to additions to property, plant and equipment. Due to the partial classification using allocation methods in fiscal year 2024, all capital expenditures were included in the process for determining taxonomy-eligibility and -alignment for the first time, which is why the shares of taxonomy-eligible and taxonomy-aligned capital expenditures increased. In the prior year, not all capital expenditures were included in the process for determining taxonomy-eligibility and -alignment and were therefore classified as non-taxonomy-eligible. For example, some decisions regarding investment applications were made in previous financial years and the associated capital expenditures made in the fiscal year 2023 were not allocated in full retrospectively. The disproportionate increase in taxonomy-aligned capital expenditures is also due to the fact that compliance with DNSH criteria for economic activity 4.3 was fully demonstrated in the fiscal year 2024.

Breakdown of taxonomy-aligned capital expenditures

(in € million)	2024	2023
Additions to intangible assets	170	184
Additions to property, plant and equipment	1,188	740
therein right-of-use assets	*401*	*182*
Taxonomy-aligned capital expenditures	**1,358**	**924**
of which expenses incurred in conjunction with taxonomy-aligned economic activities	*1,358*	*924*
of which expenses incurred within the framework of a capital expenditures plan	-	-

Operating expenditures according to the EU Taxonomy are defined as direct, non-capitalized costs for research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures related to the day-to-day servicing of property, plant and equipment by the company or third parties.

For fiscal year 2024, total operating expenditures to be considered according to the EU Taxonomy amounted to €1,475 million (2023: €1,321 million). €1,191 million (2023: €1,098 million) operating expenditures were taxonomy-eligible, which corresponds to a share of 80.8% (2023: 83.1%). Thereof, €619 million of operating expenditures were taxonomy-aligned in fiscal year 2024 (2023: €534 million), representing a share of 41.9% (2023: 40.4%).

Breakdown of taxonomy-aligned operating expenditures

(in € million)	2024	2023
Short-term leases	44	31
Maintenance and repair	135	111
Research and development costs	440	392
Taxonomy-aligned operating expenditures	**619**	**534**

No operating expenditures were attributable to any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by Siemens Energy or a third party to whom activities were outsourced that were necessary to ensure the continued and effective functioning of such assets or were in relation to capital expenditure plans.

EU Taxonomy indicators – Revenue 2024

	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code	Revenue	Proportion of revenue 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) revenue 2023[1]	Category enabling activity	Category transitional activity
		in € million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	7,618	22.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	22.8	E	-
Transmission and distribution of electricity	CCM 4.9	3,531	10.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	12.5	E	-
Electricity generation from wind power	CCM 4.3	2,441	7.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.7	-	-
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	1,179	3.4	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	-
Revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)		**14,769**	**42.9**	42.9	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	**37.5**		
Of which enabling (E)		12,328	35.8	35.8	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	35.6	E	-
Of which transitional (T)		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.1	-	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from fossil gaseous fuels	CCM 4.29	4,893	14.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14.2		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	3,098	9.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Transmission and distribution of electricity	CCM 4.9	913	2.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.6		
Manufacture of other low carbon technologies	CCM 3.6	711	2.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.8		
Electricity generation from nuclear energy in existing installations	CCM 4.28	497	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	497	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.6		
Repair, refurbishment and remanufacturing	CE 5.1	188	0.5	N/EL	N/EL	N/EL	N/EL	EL	N/EL								-		
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**10,798**	**31.3**	30.8	-	-	-	0.5	-								**35.8**		
A. Revenue of taxonomy-eligible activities (A.1 + A.2)		**25,567**	**74.2**	73.7	-	-	-	0.5	-								**73.4**		
B. Taxonomy-non eligible activities																			
Revenue of taxonomy-non-eligible activities		8,899	25.8																
Total (A + B)		**34,465**	**100.0**																

Y: Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the respective objective; N/EL: Not eligible, taxonomy-non-eligible activity for the respective environmental objective

[1] In the prior year, small-scale economic activities were reported. These activities were not reported in fiscal year 2024 due to materiality and clarity. The corresponding prior-year shares of the small-scale economic activities can be found in the Annual Report 2023 and amount in total to a taxonomy-aligned share (A.1) of 0.5% and a taxonomy-eligible share (A.2) of 1.1%. In the prior year, a taxonomy-eligible share (A.2) of 0.2% and 5.0% were reported for economic activities 3.1 and 4.3, respectively. These activities were fully taxonomy-aligned (A.1) in fiscal year 2024.

EU Taxonomy indicators – Capital expenditures (CapEx) 2024

	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code	CapEx	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) CapEx 2023[1]	Category enabling activity	Category transitional activity
		in € million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	907	43.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	44.8	E	-
Electricity generation from wind power	CCM 4.3	301	14.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.2	-	-
Transmission and distribution of electricity	CCM 4.9	98	4.7	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.0	E	-
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	32	1.5	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	-
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	20	0.9	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6	E	-
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**1,358**	**64.7**	64.7	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	**51.0**		
Of which enabling (E)		1,057	50.4	50.4	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	47.5	E	-
Of which transitional (T)		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.1	-	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from fossil gaseous fuels	CCM 4.29	148	7.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9		
Acquisition and ownership of buildings	CCM 7.7	96	4.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.0		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	83	3.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Transmission and distribution of electricity	CCM 4.9	26	1.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.4		
Electricity generation from nuclear energy in existing installations	CCM 4.28	15	0.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	13	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Construction of new buildings	CCM 7.1/ CE 3.1	12	0.6	EL	N/EL	N/EL	N/EL	EL	N/EL								-		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**394**	**18.8**	18.5	-	-	-	0.3	-								**21.2**		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		**1,752**	**83.5**	83.2	-	-	-	0.3	-								**72.2**		
B. Taxonomy-non eligible activities																			
CapEx of taxonomy-non-eligible activities		346	16.5																
Total (A + B)		**2,098**	**100.0**																

Y: Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the respective objective; N/EL: Not eligible, taxonomy-non-eligible activity for the respective environmental objective

[1] In the prior year, small-scale economic activities were reported. These activities were not reported in fiscal year 2024 due to materiality and clarity. The corresponding prior-year shares of the small-scale economic activities can be found in the Annual Report 2023 and amount in total to a taxonomy-aligned share (A.1) of 0.4% and a taxonomy-eligible share (A.2) of 1.3%. In the prior year, a taxonomy-eligible share (A.2) of 9.6% was reported for economic activity 4.3. This activity was fully taxonomy-aligned (A.1) in fiscal year 2024.

EU Taxonomy indicators – Operating expenditures (OpEx) 2024

		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code	OpEx	Proportion of OpEx 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) OpEx 2023[1]	Category enabling activity	Category transitional activity
		in € million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1	362	24.5	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	23.4	E	-
Transmission and distribution of electricity	CCM 4.9	74	5.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10.3	E	-
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	63	4.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	-
Electricity generation from fossil gaseous fuels	CCM 4.29	45	3.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	-	T
Electricity generation from wind power	CCM 4.3	33	2.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.1	-	-
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	24	1.6	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.7	E	-
Storage of electricity	CCM 4.10	19	1.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.7	E	-
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**619**	**41.9**	41.9	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	**40.4**		
Of which enabling (E)		541	36.7	36.7	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	39.4	E	-
Of which transitional (T)		45	3,0	3,0	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	-	-	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from fossil gaseous fuels	CCM 4.29	426	28.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								28.8		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	61	4.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Manufacture of other low carbon technologies	CCM 3.6	33	2.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8		
Acquisition and ownership of buildings	CCM 7.7	32	2.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.8		
Transmission and distribution of electricity	CCM 4.9	13	0.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.5		
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	9	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**573**	**38.8**	38.8	-	-	-	-	-								**42.7**		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		**1,191**	**80.8**	80.8	-	-	-	-	-								**83.1**		
B. Taxonomy-non eligible activities																			
OpEx of taxonomy-non-eligible activities		283	19.2																
Total (A + B)		**1,475**	**100.0**																

Y: Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective; N: No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective; EL: Eligible, taxonomy-eligible activity for the respective objective; N/EL: Not eligible, taxonomy-non-eligible activity for the respective environmental objective

[1] In the prior year, small-scale economic activities were reported. These activities were not reported in fiscal year 2024 due to materiality and clarity. The corresponding prior-year shares of the small-scale economic activities can be found in the Annual Report 2023 and amount in total to a taxonomy-aligned share (A.1) of 1.2% and a taxonomy-eligible share (A.2) of 1.7%. In the prior year, a taxonomy-eligible share (A.2) of 1.2% and 3.2% were reported for economic activities 3.1 and 4.3, respectively. These activities were fully taxonomy-aligned (A.1) in fiscal year 2024.

Proportion of taxonomy-aligned and taxonomy-eligible revenue per environmental objective 2024

Environmental objective	taxonomy-aligned	taxonomy-eligible
Climate change mitigation (CCM)	42.9%	73.7%
Climate change adaptation (CCA)	—	—
Water and marine resources (WTR)	—	—
Circular economy (CE)	—	0.5%
Pollution prevention and control (PPC)	—	—
Biodiversity and ecosystems (BIO)	—	—

Proportion of taxonomy-aligned and taxonomy-eligible capital expenditures per environmental objective 2024

Environmental objective	taxonomy-aligned	taxonomy-eligible
Climate change mitigation (CCM)	64.7%	83.5%
Climate change adaptation (CCA)	—	—
Water and marine resources (WTR)	—	—
Circular economy (CE)	—	0.6%
Pollution prevention and control (PPC)	—	—
Biodiversity and ecosystems (BIO)	—	—

Proportion of taxonomy-aligned and taxonomy-eligible operating expenditures per environmental objective 2024

Environmental objective	taxonomy-aligned	taxonomy-eligible
Climate change mitigation (CCM)	41.9%	80.8%
Climate change adaptation (CCA)	—	—
Water and marine resources (WTR)	—	—
Circular economy (CE)	—	—
Pollution prevention and control (PPC)	—	—
Biodiversity and ecosystems (BIO)	—	—

Complementary Climate Delegated Act (EU) 2022/1214 – Standard templates for the disclosure referred to in Article 8(6) and (7) of the Taxonomy Regulation[1]

Below is supplemental information regarding Siemens Energy's taxonomy-eligible and taxonomy-aligned activities in the areas of nuclear energy and natural gas. The information is presented using the standard templates required by the Complementary Climate Delegated Act (EU) 2022/1214.

EU Taxonomy indicators – Revenue 2024

Template 1 Nuclear and fossil gas related activities – Revenue 2024

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

[1] In the prior year, small-scale economic activities were reported. These activities were not reported in fiscal year 2024 due to materiality and clarity.

Template 2 Taxonomy-aligned economic activities (denominator) – Revenue 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (revenue)**	**14,769**	**42.9**	**14,769**	**42.9**	**—**	**—**
8	**Revenue Siemens Energy**	**34,465**	**100.0**	**34,465**	**100.0**	**—**	**—**

Template 3 Taxonomy-aligned economic activities (numerator) – Revenue 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (revenue)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (revenue)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (revenue)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (revenue)	—	—	—	—	—	—
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (revenue)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (revenue)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable indicator (revenue)**	**14,769**	**100.0**	**14,769**	**100.0**	**—**	**—**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable indicator (revenue)**	**14,769**	**100.0**	**14,769**	**100.0**	**—**	**—**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities – Revenue 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	497	1.4	497	1.4	—	—
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	4,893	14.2	4,893	14.2	—	—
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	497	1.4	497	1.4	—	—
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (revenue)**	**4,723**	13.7	**4,723**	13.7	—	—
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable indicator (revenue)**	**10,610**	30.8	**10,610**	30.8	—	—

Template 5 Taxonomy non-eligible economic activities – Revenue 2024

Row	Economic activities	Amount in millions of €	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (revenue)	—	—
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (revenue)**	**8,899**	**25.8**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable indicator (revenue)**	**8,899**	**25.8**

EU Taxonomy indicators – Capital expenditures 2024

Template 1 Nuclear and fossil gas related activities – Capital expenditures 2024

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 Taxonomy-aligned economic activities (denominator) – Capital expenditures 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (capital expenditures)**	**1,358**	**64.7**	**1,358**	**64.7**	**—**	**—**
8	**Capital expenditures Siemens Energy**	**2,098**	**100.0**	**2,098**	**100.0**	**—**	**—**

Template 3 Taxonomy-aligned economic activities (numerator) – Capital expenditures 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable indicator (capital expenditures)**	**1,358**	**100.0**	**1,358**	**100.0**	**—**	**—**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable indicator (capital expenditures)**	**1,358**	**100.0**	**1,358**	**100.0**	**—**	**—**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities – Capital expenditures 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	15	0.7	15	0.7	—	—
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	148	7.1	148	7.1	—	—
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	13	0.6	13	0.6	—	—
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (capital expenditures)**	**211**	**10.1**	**211**	**10.1**	**—**	**—**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable indicator (capital expenditures)**	**388**	**18.5**	**388**	**18.5**	**—**	**—**

Template 5 Taxonomy non-eligible economic activities – Capital expenditures 2024

Row	Economic activities	Amount in millions of €	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (capital expenditures)	—	—
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (capital expenditures)**	**346**	**16.5**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable indicator (capital expenditures)**	**346**	**16.5**

EU Taxonomy indicators – Operating expenditures 2024

Template 1 Nuclear and fossil gas related activities – Operating expenditures 2024

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 Taxonomy-aligned economic activities (denominator) – Operating expenditures 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	45	3.0	45	3.0	—	—
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (operating expenditures)**	**574**	**38.9**	**574**	**38.9**	**—**	**—**
8	**Operating expenditures Siemens Energy according Taxonomy Regulation**	**1,475**	**100.0**	**1,475**	**100.0**	**—**	**—**

Template 3 Taxonomy-aligned economic activities (numerator) – Operating expenditures 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (operating expenditures)	45	7.2	45	7.2	—	—
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable indicator (operating expenditures)**	**574**	**92.8**	**574**	**92.8**	**—**	**—**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable indicator (operating expenditures)**	**619**	**100.0**	**619**	**100.0**	**—**	**—**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities – Operating expenditures 2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount in millions of €	%	Amount in millions of €	%	Amount in millions of €	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	426	28.9	426	28.9	—	—
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—	—	—	—	—
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (operating expenditures)**	**147**	**10.0**	**147**	**10.0**	**—**	**—**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable indicator (operating expenditures)**	**573**	**38.8**	**573**	**38.8**	**—**	**—**

Template 5 Taxonomy non-eligible economic activities – Operating expenditures 2024

Row	Economic activities	Amount in millions of €	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable indicator (operating expenditures)	—	—
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable indicator (operating expenditures)**	**283**	**19.2**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable indicator (operating expenditures)**	**283**	**19.2**

2.11 Takeover-relevant information

(pursuant to Sections 289a and 315a of the German Commercial Code) and explanatory report

2.11.1 Composition of common stock

As of September 30, 2024 the Company's common stock amounted to a total of €799,309,712. The capital stock is divided into 799,309,712 ordinary registered shares with no par value. The shares are fully paid in. All shares confer the same rights and obligations. The shareholders' rights and obligations are governed in detail by the provisions of the German Stock Corporation Act, in particular by Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act.

2.11.2 Restrictions on voting rights or transfer of shares

At a Shareholders' Meeting, each share of stock has one vote and accounts for the shareholders' proportionate share in the Company's net income. An exception to this rule applies with regard to treasury shares held by the Company, which do not entitle the Company to any rights. Under Section 136 of the German Stock Corporation Act the voting right of the affected shares is excluded.

Under the Deconsolidation Agreement of May 22, 2020, Siemens AG and Siemens Beteiligungen Inland GmbH undertake vis-à-vis the Company to a level of self-restraint regarding the use of their voting rights in the Company in order to ensure that they will not be able to carry a vote on their own in respect of certain essential matters. The maximum number of voting rights exercisable by Siemens AG and Siemens Beteiligungen Inland GmbH shall be determined by deducting from the other shareholders' voting presence (i) votes corresponding to 10% of the other shareholders' voting presence and (ii) votes attached to present shares that are deemed shares attributable to Siemens AG (primarily shares held by Siemens Pension-Trust e.V.). Such matters include (i) the appointment and removal of the Supervisory Board members, (ii) management measures pursuant to Sections 83, 111 para. 4, s. 3 to 5, 111b para. 4, 119 para. 2 or 179a of the German Stock Corporation Act, (iii) discharge of the Executive and Supervisory Board members (Entlastung) and a vote of no confidence (Vertrauensentzug) in respect of Executive Board members, (iv) board compensation matters including possible reduction of the compensation pursuant to Section 87 para. 4 of the German Stock Corporation Act and (v) the approval of the annual financial statements if the Shareholders' Meeting resolves on such approval by way of exception. In the election, re-election, and vote on the dismissal of a Supervisory Board Member to be designated by the Supervisory Board of Siemens Energy AG, Siemens AG and Siemens Beteiligungen Inland GmbH have undertaken to vote with a further reduced voting weight.

Under the Siemens Energy Share Ownership Guidelines, the Executive Board Members shall be obligated to continually hold Siemens Energy AG shares of an amount equal to a multiple of their base salary – 300% for the CEO and 200% for the other Members of the Executive Board – during their term of office. An initial build-up phase allows Executive Board Members to acquire the necessary shares over a period of several years.

Under the Direct Match Program, members of executive bodies (Organmitglieder) and employees of Siemens Energy in Germany may invest part of their income in Siemens Energy AG shares, whereby they will receive in respect of an investment of €100.00 for every acquired Siemens Energy AG share, additionally two further shares (matching shares) and, in the case of a further investment of €160.00 for every acquired Siemens Energy share, additionally one further matching share; the acquired and the additional matching shares are not subject to any holding or vesting period. In respect of any investment beyond that and in respect of members of the executive bodies and employees who are employed on the relevant effective dates by any Group company with its registered office abroad and participating in the programs, they will receive one additional matching share for every three Siemens Energy AG shares acquired; in this regard, both the acquired and the additional matching shares are subject to a holding period of one year.

The von Siemens-Vermögensverwaltung GmbH (vSV) has, on a sustained basis, powers of attorney allowing it to exercise the voting rights for 4,712,403 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.

2.11.3 Shareholdings in the Company that represent more than 10% of the voting rights

As of the reporting date, Siemens Beteiligungen Inland GmbH, Munich, a wholly owned subsidiary of Siemens AG, Berlin and Munich, held more than 10% of the voting rights in Siemens Energy AG. The voting rights of Siemens AG did not reach or exceed the 10% threshold as of the reporting date. However, pursuant to Section 34 German Securities Trading Act, the voting rights held by Siemens Beteiligungen Inland GmbH are attributable to Siemens AG, so that Siemens AG directly and indirectly held more than 10% of the voting rights in Siemens Energy AG in total as of the reporting date. Siemens Energy AG has not been notified of any other direct or indirect interests in the share capital of Siemens Energy AG that exceed 10% of the voting rights, nor is it aware of any other such interests.

2.11.4 Legislation and provisions of the Articles of Association applicable to the appointment and removal of members of the Executive Board and governing amendment to the Articles of Association

The appointment and removal of members of the Executive Board is subject to the provisions of Sections 84 and 85 of the German Stock Corporation Act and Section 31 of the German Codetermination Act. Pursuant to Section 5 para. 1 of the Articles of Association, the Executive Board is comprised of several members, the number of which is determined by the Supervisory Board.

Pursuant to Section 179 of the German Stock Corporation Act, any amendment to the articles of association requires a resolution of the Shareholders' Meeting. The authority to adopt purely formal amendments to the Articles of Association was transferred to the Supervisory Board under Section 9 para. 4 of the Articles of Association. In addition, by resolution of the Shareholders' Meeting, the Supervisory Board has been authorized to amend Section 4 of the Articles of Association in accordance with the utilization of the Authorized and Conditional capital, and after expiration of the authorization period applicable at the time.

Resolutions of the Shareholders' Meeting require a simple majority vote, unless a greater majority is required by law or by the Articles of Association. Pursuant to 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 capital stock represented at the time of the casting of the votes, unless another capital majority is prescribed by the articles of association. The Articles of Association of Siemens Energy AG do not prescribe another majority.

2.11.5 Powers of the Executive Board to issue and repurchase shares

The Shareholder's Meeting of the Company, by resolution of February 26, 2024, authorized the Executive Board to increase, with the approval of the Supervisory Board, the capital stock until February 25, 2029 by €399,654,856 through the issuance of 399,654,856 ordinary registered shares with no par value against cash contributions and (or) contributions in kind (Authorized Capital 2024). Simultaneously, the Authorized Capital 2023 was cancelled. The Shareholders' Meeting further authorized the Executive Board, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the event of capital increases against cash contributions in certain cases, amongst others if the issue price of the new shares is not significantly lower than the stock exchange price of the Company's listed shares. Under the authorization, the computational share of the capital stock relating to shares that are issued with exclusion of subscription rights under the Authorized Capital 2024 is limited in total to 10% of the capital stock at the time the authorization becomes effective or – if it is lower – at the time the authorization is utilized. Further details of the authorization and its limitations are specified in Section 4 para. 5 of the Articles of Association. As of September 30, 2024, this authorization had not been utilized.

Simultaneously cancelling the existing authorization of February 7, 2023, the Shareholders' Meeting of the Company, by resolution of February 26, 2024, authorized the Executive Board to issue until expiry of February 25, 2029 convertible bonds/ warrant bonds in the total nominal amount of up to €4 billion and, in this context, to grant/ impose conversion and (or) option rights and conversion obligations in respect of ordinary registered shares with no par value in Siemens Energy AG representing a pro rata amount in its capital stock totaling to €79,930,971. The convertible bonds/ warrant bonds may be issued against contribution in cash and (or) in kind. Generally, the convertible bonds/ warrant bonds must be offered for subscription to the shareholders. However, the Shareholders' Meeting authorized the Executive Board, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders (i) provided that the convertible bonds/ warrant bonds are issued against cash payment and the issue price of a convertible bond/ warrant bond is not significantly lower than its theoretical market price computed in accordance with generally accepted actuarial methods, (ii) to the extent necessary for fractional amounts resulting from the subscription ratio, (iii) in order to grant holders/ creditors of conversion or option rights to shares of the company or of conversion obligations under convertible bonds/ warrant bonds issued or guaranteed by Siemens Energy AG or any of its Group companies subscription rights as compensation against effects of dilution in the amount in which they would be entitled to such rights upon exercising such conversion or option rights or fulfilling any conversion obligations, and (iv) if the Bonds are issued against contributions in kind, particularly in connection with business combinations or the direct or indirect acquisition of companies, businesses, parts of companies, equity interests or other assets or rights to acquire assets, including receivables against the Company or its Group companies. Further details of the authorization and its limitations are specified in the Shareholders' resolution. Together with the aforementioned authorization and simultaneously cancelling the Conditional Capital 2024, on February 26, 2024 the Shareholders' Meeting resolved to conditionally increase the capital stock by up to €79,930,971 (Conditional Capital 2023) for the purpose of meeting option or conversion rights, or fulfilling conversion obligations under these bonds. The details are set out in Section 4 para. 6 of the Articles of Association. Until September 30, 2024, no use has been made of such authorization.

Already on September 6, 2022, Siemens Energy AG, still based on the Shareholders' Meeting's authorization of September 18, 2020, placed a subordinated mandatory convertible note with an aggregate principal amount of €960 million. The notes issued by Siemens Energy Finance B.V., The Netherlands (Issuer) thereunder and guaranteed by Siemens Energy AG, with a denomination of €100,000 are convertible into newly issued or existing no-par value name shares of Siemens Energy AG. The shareholders' subscription right in relation to the notes has been excluded. At maturity on 14 September 2025, all outstanding notes will be mandatorily converted into shares. The terms and conditions of the notes also provide for customary conversion rights of the noteholders and the Issuer prior to maturity. The minimum conversion price has been set to initially €13.22, the maximum conversion price to initially €15.5335. The conditional capital resolved by the Shareholders' Meeting of September 18, 2020 (Conditional Capital 2020) as specified in Section 4 para. 6 of the Articles of Association remains valid for the purpose of servicing the subordinated mandatory convertible note. In the course of granting the corresponding new authorization, the Executive Board's authorization to issue convertible

bonds / warrant bonds of September 18. 2020, to the extent not already utilized – such as through issuing the mandatory convertible note -, was cancelled by resolution of the Shareholders' Meeting on February 7, 2023.

The Company may not repurchase its own shares unless so authorized by a resolution duly adopted by the shareholders at a general meeting or in other very limited circumstances set forth in the German Stock Corporation Act. On February 26, 2024, the Shareholders' Meeting authorized the Company – under cancellation of the existing authorization granted by the Shareholders' Meeting on February 7, 2023 – to acquire until the end of February 25, 2029 for any permissible purpose treasury shares in an amount of up to 10% of the capital stock existing at the time this authorization takes effect or – if this amount is lower – of the capital stock existing at the time the authorization is exercised. The aggregate of shares of Siemens Energy AG repurchased under this authorization and any other Siemens Energy AG shares previously acquired and still held in treasury by the Company or attributable to the Company pursuant to Sections 71d and 71e of the German Stock Corporation Act may at no time exceed 10% of the then existing capital stock. Any repurchase of Siemens Energy AG shares shall be accomplished at the discretion of the Executive Board either (i) by acquisition over the stock exchange, (ii) through a public share repurchase offer, or (iii) through a public offer to swap Siemens Energy AG shares for shares in a listed company within the meaning of Section 3 para. 2 of the German Stock Corporation Act.

In addition to selling shares over the stock exchange or through a public sales offer to all shareholders in the proportion of their shareholdings or for the purpose of retiring the shares without further shareholders' resolution, the Executive Board is authorized by resolution of the Shareholders' Meeting on February 26, 2024, to also use Siemens Energy AG shares repurchased on the basis of this authorization, or on the basis of earlier authorizations, for every permissible purpose, in particular as follows, whereby the shareholders' subscription rights are excluded:

- The shares may be issued in connection with share-based compensation programs and (or) employee share programs of the Company or any of its group companies to individuals currently or formerly employed by the Company or any of its group companies as well as to Executive Board members of any group companies.
- The shares may be sold with the approval of the Supervisory Board to third parties against payment in cash if the price at which such Siemens Energy AG shares are sold is not significantly lower than the market price of Siemens Energy stock. The notional pro rata amount of the capital stock attributable to shares used in this way must not exceed 10% of the capital stock.
- The shares can be used to service or secure obligations or rights to acquire Siemens Energy AG shares specifically under or in connection with convertible bonds and warrant bonds issued by the Company or its Group companies.
- With the approval of the Supervisory Board, they may be offered and transferred in exchange for considerations in kind, particularly in connection with business combinations or the direct or indirect acquisition of companies, businesses, parts of companies, equity interests or other assets or rights to acquire assets, including receivables against the Company or its Group companies.
- The shares may be used to float shares of the Company on foreign stock exchanges on which they are currently not listed.

Furthermore, the Supervisory Board is authorized, under exclusion of the shareholders' subscription rights, to use shares acquired on the basis of the authorization to meet obligations or rights to acquire Siemens Energy AG shares that were or will be agreed with members of the Executive Board within the framework of rules governing Executive Board compensation.

The details on the authorizations referred to above, especially with the restrictions to exclude subscription rights, are set out in the relevant resolution and in Section 4 of the Articles of Association.

Using the authorization already given by the Shareholders' Meeting on February 7. 2023, between January 8, 2024, and February 14, 2024, the Company purchased 10,146,361 own shares for a total consideration of about €130 million (excluding incidental transaction costs). The buyback had the exclusive purpose of issuing shares to employees and members of the Executive Board of the Company, as well as to employees and board members of affiliated companies in the framework of share-based compensation or employee share programs. As of September 30, 2024, the Company held 9,114,474 shares of stock in treasury.

2.11.6 Significant agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid

Siemens Energy AG derives its right to use the name "Siemens Energy" as well as further names and brands owned by Siemens AG from a trademark license agreement entered into between its subsidiary Siemens Energy Global GmbH & Co. KG and Siemens AG. The trademark license agreement provides for a termination right exercisable by Siemens AG if a material competitor of Siemens AG directly or indirectly, acting solely or jointly with a third party, acquires 15% or more of Siemens Energy Global GmbH & Co. KG's capital or voting rights, or if any other third party directly or indirectly, acting solely or jointly with a third party, acquires 25% or more of Siemens Energy Global GmbH & Co. KG's capital or voting rights. Subject to graded transitional periods, the right to use the name "Siemens Energy" as well as further names and brands ceases to exist upon termination of the trademark license agreement.

Siemens Energy granted the noteholders of a subordinated mandatory convertible note with an aggregate principal amount of €960 million placed on September 6, 2022, the right to request the conversion of the notes into no-par value name shares in the event of an acquisition of ownership or take-over bid. In this event Siemens Energy AG must pay in addition a "make-whole amount", any accrued interest and any outstanding arrears of interest. The "make-whole amount" is a compensation for the value of the option right embedded in the notes. An "*acquisition of ownership*" is deemed to have occurred at each time that any person or persons acting in concert within the meaning of Section 30 para. 2 WpÜG (other than Siemens AG or its subsidiaries) at any time directly or indirectly (within the meaning of Section 30 WpÜG) acquire(s) or come(s) to own, other than as a consequence of or in connection with a Take-over Bid, such number of the shares in the capital of Siemens Energy AG carrying 30% or more of the voting rights of Siemens Energy AG. "*Take-over Bid*" means any voluntary take-over bid for the ordinary shares according to the 29 WpÜG or

– in case Siemens Energy AG is not or no longer subject to the WpÜG but to a comparable takeover regulation of another jurisdiction – according to this comparable takeover regulation, which is addressed to holders of ordinary shares of Siemens Energy AG by any person or partnership other than Siemens Energy AG.

On February 23, 2024, two consolidated subsidiaries of Siemens Energy AG with Siemens Energy AG as guarantor and additional borrower agreed on a line of credit in an amount of €4 billion. On December 22, 2023, a consolidated subsidiary of Siemens Energy AG with Siemens Energy AG as guarantor agreed on two guarantee facilities in an amount of €12 billion in total, and on July 9, 2024, on a guarantee facility in an amount of €1.2 billion. The above credit lines and guarantee facilities provide each lender with a right to cancel its credit commitment and to request for prepayment of loans in the event that (1) Siemens Energy AG becomes a subsidiary of any other company or (2) any person or group of persons acting together acquires control over Siemens Energy AG (Art. 3(2) of Council Regulation (EC) 139/2004).

In April 2023, a consolidated subsidiary of Siemens Energy AG issued bonds with Siemens Energy AG as guarantor for €1.5 billion, to finance its purchase of outstanding shares in Siemens Gamesa Renewable Energy S.A. and to refinance the existing debt of Siemens Gamesa Renewable Energy S.A.. The above bonds provide each noteholder with the option to require that the notes are redeemed at 101% of the principal amount in the event that (1) any person or persons acting in concert at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50% of the issued ordinary share capital of Siemens Energy AG or (ii) such number of the shares in the capital of Siemens Energy AG carrying more than 50% of the voting rights and (2) within 90 days of such change of control the rating of Siemens Energy AG is downgraded (as defined) in respect of such change of control.

No other significant agreements of Siemens Energy AG which are subject to a change of control clause upon a takeover bid existed as of September 30, 2024.

2.11.7 Other takeover-relevant information

There are no shares with special rights conferring powers of control. Shares of stock issued by Siemens AG to employees under its employee share program and (or) as share-based compensation are transferred to the employees. The beneficiary employees who hold shares of employee stock may exercise their control rights in the same way as any other shareholder in accordance with applicable laws and the articles of association. The Company has not entered into any compensation agreements with Members of the Executive Board or employees in the event of a takeover bid.

2.12 Further information

Corporate Governance Statement

The corporate governance declaration in accordance with Sections 289f and 315d of the German Commercial Code is a component of the Combined Management Report and is published on our website **www.siemens-energy.com/german-corporate-governance-code**.

The corporate governance declaration in accordance with Sections 289f and 315d of the German Commercial Code can also be found in **4.5 Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code**.

Consolidated Financial Statements

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3.1 Consolidated Statements of Income

(in millions of €, earnings per share in €)	Note	Fiscal year 2024	2023
Revenue	7, 25	34,465	31,119
Cost of sales		(29,962)	(30,366)
Gross profit		**4,503**	**753**
Research and development expenses		(1,209)	(1,123)
Selling and general administrative expenses		(3,388)	(2,996)
Other operating income	5	92	72
Other operating expenses	5	(84)	(46)
Income (loss) from investments accounted for using the equity method, net	4	2,210	83
Operating income (loss)[1]		**2,125**	**(3,257)**
Interest income		204	149
Interest expenses		(332)	(289)
Other financial income (expenses), net		(175)	10
Income (loss) before income taxes		**1,822**	**(3,387)**
Income tax (expenses) benefits	6	(487)	(1,202)
Net income (loss)		**1,335**	**(4,588)**
Attributable to:			
Non-controlling interests		150	(57)
Shareholders of Siemens Energy AG		1,184	(4,532)
Basic earnings per share	24	**1.37**	**(5.47)**
Diluted earnings per share	24	**1.35**	**(5.47)**

[1] Includes impairment losses from financial instruments of €41 million (2023: impairment losses of €73 million) (see Note 19).

3.2 Consolidated Statements of Comprehensive Income

(in millions of €)	Note	Fiscal year 2024	2023
Net income (loss)		**1,335**	**(4,588)**
Remeasurements of defined benefit plans	13	(159)	42
therein Income tax effects		*30*	*(29)*
Income (loss) from investments accounted for using the equity method, net		0	(1)
Items that will not be reclassified to profit or loss		**(159)**	**41**
Currency translation differences		(592)	(920)
Derivative financial instruments		75	80
therein Income tax effects		*10*	*(37)*
Income (loss) from investments accounted for using the equity method, net		23	(35)
Items that may be reclassified subsequently to profit or loss		**(494)**	**(875)**
Other comprehensive income (loss), net of income taxes		**(653)**	**(834)**
Total comprehensive income (loss)		**682**	**(5,422)**
Attributable to:			
Non-controlling interests		133	17
Shareholders of Siemens Energy AG		550	(5,440)

3.3 Consolidated Statements of Financial Position

(in millions of €)	Note	2024	Sep 30, 2023
Assets			
Cash and cash equivalents	19	6,363	4,588
Trade and other receivables	19	7,072	6,537
Other current financial assets	19, 20	882	720
Contract assets	7	4,190	4,153
Inventories	8	9,792	8,961
Current income tax assets	6	360	453
Other current assets	11	1,295	1,058
Assets classified as held for disposal	3	126	98
Total current assets		**30,079**	**26,567**
Goodwill	9	9,461	9,982
Other intangible assets	10	2,811	3,169
Property, plant and equipment	10	6,220	5,724
Investments accounted for using the equity method	4	767	1,198
Other financial assets	19, 20	473	366
Deferred tax assets	6	692	488
Other assets		372	413
Total non-current assets		**20,795**	**21,339**
Total assets		**50,874**	**47,907**
Liabilities and equity			
Short-term debt and current maturities of long-term debt	12	479	1,591
Trade and other payables	19	6,293	6,658
Other current financial liabilities	19, 20	606	694
Contract liabilities	7	18,867	15,984
Current provisions	14	3,163	2,901
Current income tax liabilities	6	380	396
Other current liabilities	11	3,681	3,375
Liabilities associated with assets classified as held for disposal		—	0
Total current liabilities		**33,471**	**31,599**
Long-term debt	12	3,287	3,190
Provisions for pensions and similar obligations	13	600	519
Deferred tax liabilities	6	415	296
Provisions	14	2,880	2,682
Other financial liabilities	19, 20	364	233
Other liabilities		494	601
Total non-current liabilities		**8,040**	**7,520**
Total liabilities		**41,511**	**39,119**
Equity	15		
Issued capital		799	799
Capital reserve		14,512	14,475
Retained earnings		(5,578)	(6,583)
Other components of equity		(514)	(34)
Treasury shares, at cost		(144)	(154)
Total equity attributable to shareholders of Siemens Energy AG		**9,075**	**8,503**
Non-controlling interests		289	285
Total equity		**9,364**	**8,787**
Total liabilities and equity		**50,874**	**47,907**

3.4 Consolidated Statements of Cash Flows

(in millions of €)	Fiscal year 2024	2023
Cash flows from operating activities		
Net income (loss)	1,335	(4,588)
Adjustments to reconcile net income (loss) to cash flows from operating activities		
Amortization, depreciation and impairments	1,511	1,515
Income tax expenses (benefits)	487	1,202
Interest (income) expenses, net	129	140
(Income) loss related to investing activities	(2,180)	(28)
Other non-cash (income) expenses	172	220
Change in operating net working capital		
Contract assets	(132)	321
Inventories	(1,221)	(1,235)
Trade and other receivables	(824)	(1,272)
Trade and other payables	(147)	116
Contract liabilities	3,216	3,388
Change in other assets and liabilities	859	2,059
Income taxes paid	(483)	(390)
Dividends received	25	42
Interest received	142	132
Cash flows from operating activities	**2,889**	**1,622**
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(1,514)	(1,228)
Acquisitions of businesses, net of cash acquired	16	(114)
Purchase of investments and financial assets	(162)	(298)
Disposal of intangibles and property, plant and equipment	27	31
Disposal of businesses, net of cash disposed	261	(24)
Disposal of investments and financial assets	2,623	0
Cash flows from investing activities	**1,250**	**(1,633)**
Cash flows from financing activities		
Issuance of new shares	—	1,243
Purchase of treasury shares	(130)	(130)
Other transactions with non-controlling interests	4	(2,933)
Issuance (repayment) of notes and bonds	(426)	1,903
Change in debt and other financing activities[1]	(1,262)	(940)
Interest paid	(332)	(192)
Dividends attributable to non-controlling interests	(112)	(83)
Cash flows from financing activities	**(2,258)**	**(1,132)**
Effect of changes in exchange rates on cash and cash equivalents	**(106)**	**(290)**
Change in cash and cash equivalents	**1,775**	**(1,432)**
Cash and cash equivalents at beginning of period	**4,588**	**6,020**
Cash and cash equivalents at end of period (Consolidated Statements of Financial Position)	**6,363**	**4,588**

[1] Therein included are cash outflows for the repayment of lease liabilities in the amount of €338 million (2023: €304 million).

3.5 Consolidated Statements of Changes in Equity

(in millions of €)	Issued capital	Capital reserve	Retained earnings	Currency translation differences	Equity instruments	Derivative financial instruments	Treasury shares at cost	Total equity attributable to shareholders of Siemens Energy AG	Non-controlling interests	Total equity
Balance as of October 1, 2022	727	13,262	2,384	1,003	—	(87)	(168)	17,122	(4)	17,118
Net income (loss)	—	—	(4,532)	—	—	—	—	(4,532)	(57)	(4,588)
Other comprehensive income (loss), net of income taxes	—	—	42	(1,043)	—	93	—	(908)	74	(834)
Total comprehensive income (loss)	—	—	(4,489)	(1,043)	—	93	—	(5,440)	17	(5,422)
Dividends	—	—	—	—	—	—	—	—	(82)	(82)
Share-based payment	—	164	(8)	—	—	—	—	156	(0)	156
Purchase of treasury shares	—	—	—	—	—	—	(130)	(130)	—	(130)
Re-issuance of treasury shares	—	(122)	(21)	—	—	—	143	—	—	—
Issuance of new shares	73	1,171	—	—	—	—	—	1,243	—	1,243
Other transactions with non-controlling interests	—	—	(4,463)	—	—	—	—	(4,463)	380	(4,083)
Other changes in equity	—	—	15	—	—	—	—	15	(27)	(13)
Balance as of September 30, 2023	799	14,475	(6,583)	(40)	—	6	(154)	8,503	285	8,787
Balance as of October 1, 2023	**799**	**14,475**	**(6,583)**	**(40)**	**—**	**6**	**(154)**	**8,503**	**285**	**8,787**
Net income (loss)	—	—	1,184	—	—	—	—	1,184	150	1,335
Other comprehensive income (loss), net of income taxes	—	—	(155)	(558)	—	78	—	(635)	(18)	(653)
Total comprehensive income (loss)	—	—	1,029	(558)	—	78	—	550	133	682
Dividends	—	—	—	—	—	—	—	—	(130)	(130)
Share-based payment	—	166	(0)	—	—	—	—	165	—	165
Purchase of treasury shares	—	—	—	—	—	—	(130)	(130)	—	(130)
Re-issuance of treasury shares	—	(129)	(11)	—	—	—	140	—	—	—
Other transactions with non-controlling interests	—	—	(6)	—	—	—	—	(6)	7	1
Other changes in equity	—	—	(7)	—	—	—	—	(7)	(5)	(12)
Balance as of September 30, 2024	**799**	**14,512**	**(5,578)**	**(598)**	**—**	**84**	**(144)**	**9,075**	**289**	**9,364**

3.6 Notes to Consolidated Financial Statements

NOTE 1 Basis of presentation

The accompanying Consolidated Financial Statements as of September 30, 2024, present the operations of Siemens Energy AG with registered office at Otto-Hahn-Ring 6, 81739 Munich, Germany (registry number HRB 252581, local court Munich), and its subsidiaries ('Siemens Energy,' 'the Group,' 'the Company,' or 'we').

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the additional requirements of German law pursuant to Section 315e para. 1 German Commercial Code ("Handelsgesetzbuch"). The Consolidated Financial Statements also comply with IFRS as published by the International Accounting Standards Board (IASB). The Consolidated Financial Statements were authorized for issue by the Executive Board on December 4, 2024.

The Consolidated Financial Statements are prepared and published in millions of euros (€ million). Rounding differences may occur in respect of individual amounts or percentages.

Siemens Energy, as a supplier of technology in the energy and electricity sector, is active along the entire energy technology and service value chain with comprehensive and differentiated products, solutions and service offerings. It provides a portfolio in both conventional and renewable energy along the entire energy value chain, from power generation to power transmission, complemented by a comprehensive set of training and service offerings, aimed at both the public- and private sector.

Since the beginning of fiscal year 2024, which corresponds to the internal organizational and reporting structure and is based on the differences between products, the reporting structure has consisted of the following components:

- The **Gas Services** (GS) Business Area as a reportable segment consolidates all the business activities relating to gas and large steam turbines, large generators, and heat pumps, as well as the associated control technology. The GS portfolio includes products, solutions, and services for central and distributed power generation. The business is focused on servicing the installed fleet of gas and steam turbines. The wide-ranging service portfolio includes maintenance, performance enhancements, digitalization (e.g., cybersecurity), and professional consulting.
- The activities of the **Grid Technologies** (GT) Business Area are as a reportable segment focused on the key market trends: demand growth of electricity, electrification, decarbonization, and digitalization. With the products, systems, solutions, and services it offers, GT solves the challenges posed by the increasing complexity of the grid infrastructure resulting from the integration of renewable energies and the trend towards decentralized energy generation. The product portfolio includes, among others, high-voltage direct current (HVDC) transmission systems, grid connections for offshore wind farms, flexible alternating current transmission systems (FACTS), high-voltage substations, air- and gas-insulated switchgear, transformers and storage solutions, as well as digital grid solutions, components and cyber security.
- The **Transformation of Industry** (TI) Business Area comprises four operating but non-reportable segments (Sustainable Energy Systems (SES); Electrification, Automation, Digitalization (EAD); Industrial Steam Turbines & Generators (STG); and Compression (CP)), which are presented voluntarily as if they were a single reportable segment, despite some differences in their economic characteristics. The Business Area's activities are focused primarily on reducing energy consumption and greenhouse gas emissions in industrial processes. Thus, TI is supporting industrial customers in reducing their carbon footprint and achieving their individual decarbonization targets. The Business Area offers products, integrated systems and solutions as well as services for various process industries (e.g., oil and gas, chemicals, petrochemicals, mining, steel, pulp and paper), hydrogen and power generation as well as for the offshore and maritime industry. The TI portfolio includes electrolyzers, industrial steam turbines, industrial generators, turbo and reciprocating compressors, compressor trains, drive systems and solutions, batteries and fuel cells, as well as service and digital offerings for the entire portfolio.
- Our Wind Power business **Siemens Gamesa** (SG) as a reportable segment offers onshore and offshore wind turbines as well as services over the entire lifecycle of wind turbines. The service business consists of the management, operation and maintenance of wind farms. Siemens Gamesa comprises the Wind Turbines (Onshore and Offshore) as well as Operation and Maintenance (Service) business field.
- The Reconciliation to Consolidated Financial Statements includes items which management does not consider to be significant to assessing the segments' performance, especially Group management costs (management and central functions), other central items, treasury activities, as well as eliminations. The other central items include license fees for the Siemens brand, central services (e.g., management of the Group real estate portfolio (excluding Siemens Gamesa), central projects and investments, as well as other items.

Starting with fiscal year 2024, the definition of Special items was specified more precisely. As a result, Special items relating to strategic portfolio decisions include significant expenses and income in connection with the acquisition, disposal or discontinuation of businesses. In addition, selected prior-year information that is of minor significance for the presentation of net assets, financial position and results of operations of Siemens Energy was adjusted in **Note 4 Interests in other entities, Note 20 Derivative financial instruments and hedging activities**, and **Note 25 Segment information**, to correspond to current year's presentation.

NOTE 2 Material accounting policies and critical accounting estimates

Key accounting estimates and judgments – Some of the accounting policies used are critical accounting estimates and judgments and require complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the net assets, financial position, and results of operations of Siemens Energy. Critical accounting estimates could also be based on estimates where Siemens Energy reasonably could have used a different estimate in the current accounting period. Siemens Energy cautions that future events often vary from forecasts and that estimates routinely require adjustment.

The existing political efforts to reduce greenhouse gas emissions, considering current geopolitical developments, also with regard to gas supply, are a driving force in the transformation of the energy market and may have significant effects on Siemens Energy. The impact of the transition to a lower carbon economy and the resulting consequences for Siemens Energy's business environment observable as of September 30, 2024, were considered in the relevant critical accounting estimates, such as the determination of expected useful lives and future cash flows. Siemens Energy assumes that technical equipment and machinery will be used over their entire planned economic life and can generate corresponding benefits for the company, so that the remaining useful lives used as a basis adequately reflect the economic use. This assessment is based on the following assumptions: Siemens Energy currently assumes a transition period to a lower-emission economy of several decades, during which gas-fired power plants in particular will be used as a bridging technology, as the energy industry is faced with a constant trilemma of sustainability of energy generation, reliability of energy supply and affordability of (globally increasing) energy demand. Furthermore, as a globally active company, Siemens Energy assumes that the achievement of certain climate targets is subject to regional differences. For example, not all countries worldwide are currently committed to the strict EU climate targets. Accordingly, Siemens Energy's global customers are at different stages of maturity in the energy transition and have different technological requirements. Moreover, part of Siemens Energy's product portfolio can already be operated with other fuels. This applies in particular to hydrogen, which is especially important from a climate perspective. In addition, some of the technical equipment is also used for longer-term service contracts. Assumptions related to climate change and decarbonization trends and their impact on Siemens Energy's business development are screened constantly by the Company. These Consolidated Financial Statements were prepared using the assumption that Siemens Energy will make the necessary changes to its business models, product portfolio and cost structures and that therefore no material effects will occur that would have to be recorded in the Consolidated Financial Statements as of September 30, 2024.

The macroeconomic environment in fiscal year 2024 was primarily characterized by the geopolitical risks, increased inflation, continued comparatively high and volatile prices for fossil fuels, and risks in procurement markets. These factors have been considered in the critical accounting estimates and have a particular impact on the accounting for revenue from contracts with customers, employee benefits, and financial instruments, as well as on the asset impairment testing. Relevant areas are changes in transaction prices due to contractually agreed price escalation clauses, the recognition of provisions for onerous contracts, rates of future salary increases, expected rates of future pension progression, and discount rates used as the basis for actuarial expertise, rating-based impairment testing of receivables, and the determination of future cash flows and interest rates used in impairment testing of non-current assets.

In addition to the aforementioned explanations, further critical accounting estimates are mentioned in the sections on material accounting policies.

Basis of consolidation – The Consolidated Financial Statements include the accounts of Siemens Energy AG and its subsidiaries over which the Company has control. Control exists when Siemens Energy has power over the investee. In addition, Siemens Energy is exposed to, or has rights to, variable returns from the involvement with the investee and Siemens Energy is able to use its power over the investee to affect the amount of the Company's return.

Business combinations – The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interests are measured at the proportional fair value of assets acquired and liabilities assumed (partial goodwill method). If there is no loss of control, transactions with non-controlling interests are accounted for as equity transactions not affecting profit and loss. At the date control is lost, any retained equity interests are remeasured to fair value.

In case of a written put option on non-controlling interests, the Company assesses whether the prerequisites for the transfer of present ownership interest are fulfilled at the reporting date. If the Company is not the beneficial owner of the shares underlying the put option, the exercise of the put option will be assumed at each reporting date and treated as an equity transaction between shareholders with the recognition of a purchase liability at the respective exercise price. The non-controlling interests participate in profits and losses during the reporting period.

Associates – Associates are companies over which Siemens Energy AG has the ability to exercise significant influence regarding operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights). These are recorded in the Consolidated Financial Statements using the equity method and are initially recognized at cost. The Company's share of an associate's post-acquisition profits or losses is recognized in the Consolidated Statements of Income, and its share of post-acquisition changes in equity that have not been recognized in the associate's profit or loss is recognized directly in equity. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment in the associate. When Siemens Energy's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless it incurs obligations or makes payments on behalf of the associate. The interest in an associate is the carrying amount of the investment in the associate together with any long-term interests that, in substance, form part of the Company's net investment in the associate.

Joint ventures – Joint ventures are entities over which Siemens Energy and one or more parties have joint control. Joint control requires unanimous consent of the parties sharing control in decision making on relevant activities. Joint Ventures are also recorded in the Consolidated Financial Statements using the equity method.

Foreign currency translation – The 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 the Consolidated Statements of Income are translated using average exchange rates during the period. Differences arising from such translations are recognized within equity and reclassified to Net income when the gain or loss on disposal of the foreign subsidiary is recognized. The Consolidated Statements of Cash Flows are translated at average exchange rates during the period, whereas cash and cash equivalents are translated at the spot exchange rate at the end of the reporting period.

Foreign currency transaction – Transactions that are denominated in a currency other than the functional currency of an entity are recorded in that functional currency, applying the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of the reporting period, monetary assets and liabilities denominated in a foreign currency are revalued to functional currency, applying the spot exchange rate prevailing at that date. Gains and losses arising from this foreign currency revaluations are recognized in Net income. Those transactions denominated in a foreign currency which are classified as non-monetary are remeasured using the historical spot exchange rate. Siemens Energy applies hyperinflation accounting in Argentina and Turkey.

Revenue recognition – Siemens Energy recognizes revenue when or as control over distinct goods or services is transferred to the customer (i.e., when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and, among other things, collectability of consideration is probable taking into account the customer's creditworthiness). Revenue is the transaction price Siemens Energy expects to be entitled to. The amount of a variable consideration 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. 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 either to the customer or Siemens Energy. Non-cash consideration in the form of goods, services, financial instruments or property, plant and equipment is measured at fair value. If the fair value of the non-cash consideration cannot be estimated reasonably, the consideration is measured indirectly by reference to the stand-alone selling price of the goods or services promised to the customer in exchange for the consideration. An estimation of variable consideration is generally constrained and is only included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. 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 Energy reasonably estimates them. Discounts and variable considerations are allocated proportionately to all performance obligations within a contract unless allocation to one or more, but not all, performance obligations is a more accurate representation. Revenue is recognized for each performance obligation either at a point in time or over time.

Sales from construction-type contracts – Revenues from long-term construction contracts are recognized over time based on measuring progress. Siemens Energy determines the progress using an input method that considers the percentage of costs incurred to date compared to total estimated costs. An expected loss on the contract is recognized as an expense immediately. Payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

When measuring progress using an input method, estimating the progress of the transfer of control to the customer is particularly important and may include estimates of the amount of work and services required to fulfill the contractual obligations. These significant estimates include total estimated revenues, total estimated costs, contract risks, including technical, political, and regulatory risks, as well as other judgments. Estimated revenues, total estimated costs and profit recognition may vary, sometimes materially, from original estimates due to new information about cost overruns caused by delays or unexpected technical problems, particularly with unproven or new technologies, unforeseen developments at project sites, the impact of legal or political conditions, performance problems at suppliers, contractors and consortium partners, or logistical difficulties, as well as changes in the scope of the project during the term of a contract in the construction business. These deviations may result in a significant increase in project costs, a negative impact on project results, a material adverse effect on our business, financial position, and results of operations, and, in some cases, litigation. As a result, changes in estimates may increase or decrease revenue. In addition, it is necessary to assess whether the continuation or termination of a contract is the most likely scenario. For this assessment, all relevant facts and circumstances are considered individually for each contract.

Revenue from services – Revenues are recognized over time as services are provided (i.e., measuring progress). Payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

Sale of goods – Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon delivery of the goods. Invoices are issued at that point in time and are usually payable within 30 days. For licensing transactions granting the customer a right to use Siemens Energy's intellectual property, payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

Functional costs – In general, operating expenses by types are assigned to the functions in accordance with the functional area of the corresponding 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.

Government grants – Government grants are recognized when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Grants awarded for the purchase or the production of fixed assets (grants related to assets) are generally recognized as a reduction of the acquisition or construction costs of the respective assets and reduce future depreciations accordingly. Grants awarded for other than non-current assets (grants related to income) are reported in the Consolidated Statements of Income under the

same functional area as the corresponding expenses. They are recognized as income over the periods necessary to match them on a systematic basis to the costs that are intended to be compensated. Government grants for future expenses are recorded as deferred income.

Product-related expenses – Provisions for estimated costs related to product warranties and onerous contracts are recorded in the line item Cost of sales.

Research and development costs – Costs of research activities are expensed as incurred. Costs of development activities are capitalized when the recognition criteria in accordance with IAS 38, Intangible Assets, are met. Capitalized development costs are stated at cost less accumulated amortization and impairment losses with an amortization period of generally three to ten years.

Earnings per share – Basic earnings per share are computed by dividing Net income attributable to the shareholders of Siemens Energy AG by the weighted average number of outstanding shares of Siemens Energy AG. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive securities and share-based payment plans.

Goodwill – Goodwill is not amortized; instead, goodwill is tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses. The goodwill impairment test is performed at the level of a cash-generating unit, generally represented by an operating segment. This is the lowest level at which goodwill is monitored for internal management purposes.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit that is expected to benefit from the synergies of the business combination. If the carrying amount of the cash-generating unit to which the goodwill is allocated exceeds its recoverable amount, an impairment loss on goodwill allocated to this cash-generating unit is recognized. The recoverable amount is the higher of the cash-generating unit's fair value less costs of disposal and its value in use. If either of these values exceeds the carrying amount, it is not always necessary to determine both values. These values are generally determined on the basis of discounted cash flow calculations. Impairment losses on goodwill are not reversed in future periods.

The determination of the recoverable amount of a cash-generating unit to which goodwill is allocated involves the use of estimates by management. The outcome predicted by these estimates is influenced, for example, by the successful integration of acquired entities, the volatility of capital markets, interest rate developments, foreign exchange rate fluctuations or the anticipated economic trends. When determining the recoverable amounts for the cash-generating units Wind Turbines and Operation and Maintenance in particular, the estimates are also significantly influenced by assumptions regarding the implementation of measures to resolve technical issues and the, operational improvement programs. In determining recoverable amounts, discounted cash flow calculations use generally five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments. Cash flows after the planning period are extrapolated using individual growth rates and an expected long-term inflation rate. Key assumptions and estimates on which management has based its determination of fair value less costs of disposal and value in use can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

Other intangible assets – Siemens Energy amortizes intangible assets with finite useful lives on a straight-line basis over their respective estimated useful lives. Estimated useful lives for patents, licenses, and other similar rights generally range from three to five years, except for intangible assets with finite useful lives acquired in business combinations. Intangible assets acquired in business combinations primarily consist of customer relationships, trademarks, and technology. Useful lives in specific acquisitions range from eleven to 20 years for customer relationships and from eight to 20 years for technology.

Property, plant and equipment – Property, plant and equipment, including right-of-use assets, is valued at cost less accumulated depreciation and impairment losses. Depreciation expense is recognized using the straight-line method. The following useful lives are assumed for property, plant and equipment owned by Siemens Energy:

Factory and office buildings	20 to 50 years
Other buildings	5 to 10 years
Technical machinery & equipment	generally 10 years
Furniture & office equipment	generally 5 years

Right-of-use assets are depreciated under the straight-line method over the shorter of the lease term and the useful life of the underlying assets. Extension options are included in the lease term, and thus in the measurement of the right-of-use asset and corresponding lease liability, if their exercise is reasonably certain. Remeasurements reflect changes in the assessment of options.

Impairment of property, plant and equipment and other intangible assets – Siemens Energy reviews property, plant and equipment and other intangible assets for impairment whenever events or changes in circumstances indicate 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. Impairment testing of property, plant and equipment and other intangible assets involves the use of estimates in determining the assets' recoverable amount, which can have a material impact on the respective values and ultimately on the amount of any impairment.

Non-current assets/ liabilities held for disposal – Non-current assets and liabilities are held for disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the remaining criteria in accordance with IFRS 5, Non-current assets held for sale and discontinued operations, are met. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of the fair value less costs to sell includes the use of estimates and assumptions that tend to be uncertain.

Income taxes – Tax positions under respective local tax laws, relevant court decisions, and tax authorities' views can be complex and subject to different interpretations by taxpayers and local tax authorities. Different interpretations of existing or new tax laws as a result of tax reforms or other tax legislative procedures may result in additional tax payments for prior years and are taken into account based on management's considerations. Under the liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The so-called initial recognition exemption is also considered. Deferred tax assets are recognized if sufficient future taxable profit is available, including income from forecasted operating earnings, the reversal of existing taxable temporary differences, and established tax planning opportunities. As of each period-end, Siemens Energy evaluates the recoverability of deferred tax assets, generally based on five-year projections of future taxable profits. As future developments are uncertain and partly beyond Siemens Energy's control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will be recovered. Estimates are revised in the period in which there is sufficient evidence to revise the assumption. In some countries in which Siemens Energy operates, statutory tax law on global minimum taxation has been adopted in accordance with the OECD guidelines on global minimum taxation (Pillar Two). Siemens Energy is subject to the global minimum taxation starting fiscal year 2025. In accordance with IAS 12 Income Taxes, Siemens Energy did not recognize any potential effects regarding deferred tax assets and liabilities. Based on our analysis of the global minimum taxation rules no material impact on Siemens Energy Group's ETR is likely to be expected.

Contract assets, contract liabilities, receivables – When either party to a contract with customers has performed, Siemens Energy recognizes a contract asset, a contract liability, or a receivable depending on the relationship between Siemens Energy's performance and the customer's payment. Contract assets and liabilities are recognized as current since they arise in the normal operating cycle. Receivables are recognized when the right to consideration becomes unconditional. Valuation allowances for credit risks are made for Contract assets and receivables in accordance with the accounting policy for financial assets measured at amortized cost. A refund liability, as a component of contract liabilities, is recognized when Siemens Energy receives consideration from a customer and expects to be required to refund some or all of that consideration to the customer. A refund liability is measured at the amount of the consideration received for which Siemens Energy does not expect to be entitled.

Inventories – Inventories are valued at the lower of acquisition or production costs and net realizable value, costs generally being determined on the basis of an average or first-in, first-out method. Net realizable value corresponds to the estimated selling price net of remaining costs of completion and selling. Determining net realizable value of Inventories involves accounting estimates for quantity, technical, and price risks.

Trade and other payables – Siemens Energy invites suppliers to participate in Supply Chain Financing Programs in order to benefit from accelerated payment compared with Siemens Energy's regular payment terms. Such payables represent payables for goods and services that are incurred within the Company's normal operating cycle and are part of the Company's working capital. Suppliers must formally agree to participate in such programs. Therefore, the corresponding payables are still shown in the line item Trade and other payables.

Defined benefit plans – Siemens Energy measures the entitlements by applying the projected unit credit method. This approach reflects an actuarially calculated net present value of the future benefit entitlement for services already rendered. In determining the net present value of the future benefit entitlement for service already rendered (Defined Benefit Obligation, DBO), the expected rates of future salary increase and expected rates of future pension progression are considered. The assumptions used for the calculation of the DBO as of the period-end of the preceding fiscal year are used to determine the calculation of service cost and interest income and expense of the following year. The net interest income or expense for the fiscal year will be based on the discount rate for the respective year multiplied by the net defined benefit liability (asset) at the preceding fiscal year's period-end date.

Service cost, past service cost, and settlement gains (losses) for pensions and similar obligations, as well as administration costs unrelated to the management of plan assets, are allocated to functional costs. Past service cost and settlement gains (losses) are recognized immediately in profit or loss. For unfunded plans, the amount of the Provisions for pensions and similar obligations line item equals the DBO. For funded plans, Siemens Energy offsets the fair value of the plan assets with the DBO. Siemens Energy recognizes the net amount, after adjustments for effects relating to any asset ceiling.

Remeasurements comprise actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefit liability (asset). They are recognized in Other comprehensive income, net of income taxes.

Actuarial valuations rely on key assumptions, including discount rates, expected compensation increases, rate of pension progression, and mortality rates. The discount rates used are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period. In case such yields are not available, the discount rates are based on government bonds yields. Due to changing market, economic, and social conditions, the underlying key assumptions may differ from actual developments.

Entitlements resulting from plans based on investment returns from underlying assets are generally measured at the fair value of the underlying assets at period-end. 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.

Provisions – A provision is recognized in the Statement of Financial Position when it is probable that Siemens Energy has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and

a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision.

Significant estimates are involved in determining provisions related to warranty costs, onerous contracts, legal and regulatory proceedings, as well as governmental investigations (legal proceedings).

The measurement of warranty provisions reflects whether the underlying obligation results from a single obligation or a larger population of items. The amounts recognized to settle the obligation correspond to the best possible estimate and are based, for example, on assumptions regarding failure rates and costs to remedy the failure per incident, which are occasionally derived from statistical models, based on empirical values and currently available information from ongoing inspections and defect rectifications. In particular, the assumptions and estimates regarding failure rates are sometimes subject to significant uncertainties insofar as they relate to new technologies for which hardly any operating data is available.

Siemens Energy records a provision for onerous contracts with customers when the current estimated total costs exceed the estimated revenues. Onerous contracts with customers are identified by monitoring the progress of the project and updating the estimates, which requires significant judgment relating to achieving certain performance standards as well as estimates involving warranty costs and estimates regarding project delays, including the assessment of responsibility splits between the contract partners for these delays.

Uncertainties regarding asset retirement obligations include the estimated costs of decommissioning because of the long timeframe over which future cash outflows are expected to occur, including the respective interest accretion.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a legal proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process. Due to new developments, it may be necessary, to record a provision for an ongoing legal proceeding or to adjust the amount of a previously recognized provision. Upon resolution of a legal proceeding, Siemens Energy may incur charges in excess of the recorded provisions for such matters. The outcome of legal proceedings may have a material effect on Siemens Energy's financial position, its results of operations and (or) its cash flows.

Personnel restructuring measures – Expenses for restructuring measures are recognized if a detailed formal plan for the restructuring has been developed, which has raised a valid expectation in those affected that the restructuring measures will be carried out by starting to implement the plan or announcing its main features to those affected by it. The determination of expenses is based on various assumptions that also require judgements and estimates and may therefore contain uncertainties in this respect. These include in particular the acceptance rate, the underlying salary, and length of service. If employees are offered severance packages, the benefits are measured on the basis of the expected number of employees who will accept the offer.

Termination benefits – Termination benefits are provided as a result of an entity's offer made in order to encourage voluntary redundancy before the regular retirement date or of an entity's decision to terminate the employment. Termination benefits in accordance with IAS 19, Employee Benefits, are recognized as a liability and an expense when the entity can no longer withdraw the offer of those benefits.

Cash and cash equivalents – Siemens Energy considers all highly liquid investments with a maturity of less than three months from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at amortized cost.

Financial instruments – A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are classified as financial assets and financial liabilities measured at cost or amortized cost, measured at fair value, loan commitments and credit guarantees, and Contract assets. Regular way purchases or sales of financial assets are accounted for at the trade date. Siemens Energy does not use the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (fair value option). Initially, financial instruments are recognized at fair value and net of transaction costs, if they are not categorized at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned.

Financial assets measured at fair value through profit or loss – Debt financial assets are measured at FVTPL if the business model they are held in is not a hold-to-collect or a hold-and-sell business model, or if their contractual cash flows do not represent solely payments of principal and interest. Equity instruments are measured at FVTPL unless the option to recognize fair value changes in other comprehensive income has been exercised.

Financial assets measured at amortized cost – Loans, receivables, and other debt instruments held in a hold-to-collect business model with contractual cash flows that represent solely payments of principal and interest are measured at amortized cost using the effective interest method less valuation allowances for expected credit losses.

Valuation allowances are recognized for expected credit losses, representing a forward-looking estimate of future credit losses involving significant judgment. Expected credit loss is the gross carrying amount less collateral, multiplied by the probability of default and a factor reflecting the loss in the event of default. Valuation allowances are not recognized when the gross carrying amount is sufficiently collateralized. Probabilities of default are mainly derived from rating grades.

A simplified approach is used to assess expected credit losses from trade receivables and Contract assets by applying their lifetime expected credit losses.

Financial assets are written off as uncollectible if recovery appears unlikely. Generally, the limitation period has expired if a debtor's sworn statement of affairs has been received, or if the receivable is not pursued due to its minor value. Receivables are written off when bankruptcy proceedings close.

A financial asset is derecognized when the rights to cash flows expire or when the financial asset is transferred to another party. Significant modifications of the contractual terms of a financial asset measured at amortized cost result in derecognition and recognition of a new financial asset; for insignificant modifications, the carrying amount of the financial asset is adjusted without derecognition.

Credit guarantees – Credit guarantees are recognized at the higher of consideration received for granting the guarantee and expected credit losses determined.

Financial liabilities – Except for derivative financial instruments, Siemens Energy measures financial liabilities at amortized cost using the effective interest method.

Financial liabilities are analyzed to determine whether these should be accounted for entirely as debt or split into an equity component and a debt component. For the mandatory convertible note issued in September 2022, Siemens Energy's early conversion right, which allows conversion of the nominal amount into a fixed number of shares, was identified as an important criterion. Siemens Energy considers the early conversion right to be economically substantial for capital and rating management purposes and hence accounts for the mandatory convertible note as a compound financial instrument. The debt component corresponds to the present value of the coupons and is reported under financial liabilities. Proportionate directly attributable transaction costs allocated to the debt component are amortized to interest expense over the term to maturity. The remaining amount, after deduction of proportionate directly attributable transaction costs, is the equity component, which is reported in capital reserves.

Lease liabilities – Lease liabilities are measured at the present value of the lease payments payable over the lease term, generally discounted using the incremental borrowing rate unless the rate implicit in the lease can be readily determined. Lease liabilities are subsequently measured at amortized cost using the effective interest method. They are remeasured in case of modifications or reassessments of the lease.

Derivative financial instruments – Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are measured at fair value. Changes in the fair value of derivative financial instruments are recognized either in Net income or, in the case of a cash flow hedge, in the Other comprehensive income line item, net of income taxes (applicable deferred income tax). Certain derivative instruments embedded in host contracts are also accounted for separately as derivatives.

Cash flow hedges – The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges are recognized in Other comprehensive income line item, net of income taxes, and any ineffective portion is recognized immediately in Net income. Amounts accumulated in equity are reclassified into Net income in the same periods in which the hedged item affects Net income.

Share-based payment – At Siemens Energy, share-based payment awards are classified as equity-settled. The fair value is measured at the grant date and expensed over the vesting period. The fair value is determined as the market price of the underlying shares, considering dividends during the vesting period to which the grantees are not entitled, as well as market and non-vesting conditions, if applicable.

Recently adopted accounting pronouncements

Since October 1, 2023, Siemens Energy has applied the new standard IFRS 17, Insurance contracts and amendments to IAS 12, Deferred income tax related to limitation of initial recognition exemption; IAS 1, Amendments to presentation of financial statements, making materiality judgements as well as accounting policies; IAS 8, Amendments to accounting estimates and errors; IAS 12, International tax reform – Pillar Two model rules. These amendments had no material impact on the Consolidated Financial Statements.

Accounting pronouncements – not yet adopted

The following financial reporting pronouncements, issued by the IASB, are not yet effective (or have not yet been endorsed by the European Union) and have not yet been adopted by Siemens Energy:

Amendments to standards/ interpretations		Mandatory application	Expected initial adoption	Anticipated effect
IAS 1	Classification of liabilities as current or non-current and non-current liabilities with covenants (amendments to IAS 1)	Jan 1, 2024	Oct 1, 2024	not material
IFRS 16	Lease liability in a sale and leaseback (amendments to IFRS 16)	Jan 1, 2024	Oct 1, 2024	not material
IAS 7, IFRS 7	Supplier finance arrangements (amendments to IAS 7, IFRS 7)	Jan 1, 2024	Oct 1, 2024	not material
IAS 21	Lack of exchangeability (amendments to IAS 21)	Jan 1, 2025	Oct 1, 2025	not material
IAS 7	Cost method (amendments to IAS 7)	Jan 1, 2026	Oct 1, 2026	not material
IFRS 7	Gain or loss on derecognition (amendments to IFRS 7)	Jan 1, 2026	Oct 1, 2026	not material
IFRS 7, IFRS 9	Classification and Measurement of Financial Instruments (amendments to IFRS 7, IFRS 9)	Jan 1, 2026	Oct 1, 2026	not material
IFRS 9	Derecognition of lease liabilities and transaction price (amendments to IFRS 9)	Jan 1, 2026	Oct 1, 2026	not material
IFRS 10	Determination of a 'de facto agent) (amendments to IFRS 10)	Jan 1, 2026	Oct 1, 2026	not material
IFRS 18	Presentation and disclosure in Financial Statements (new standard)	Jan 1, 2027	Oct 1, 2027	in analysis

NOTE 3 Disposals and assets held for disposal

Disposals

Sale of Trench Group

On October 11, 2023, Siemens Energy signed an agreement for the sale of the Trench Group ("Trench") to SCUR-Alpha 1646 GmbH, a subsidiary of the investment firm Triton Investments Advisers LLP. The business specializes in high-voltage grid components including bushings, instrument transformers and coil products at locations in Germany, Austria, France, Bulgaria, Italy, China, and Canada. Trench was part of the GT segment. The preliminary purchase price amounted to €401 million and was recognized as cash inflow (€301 million) and on an escrow account (€100 million) as of September 30, 2024.

The derecognition of the disposal group took place with the economic transfer on April 1, 2024. The disposal resulted in an expense of €25 million, which was recognized in Other operating expenses in the Consolidated Statements of Income. The assets disposed of amounted to €689 million (including cash and cash equivalents of €25 million), consisting mainly of inventories of €187 million, goodwill of €203 million, and property, plant and equipment of €126 million. Liabilities disposed of amounted to €287 million.

Assets held for disposal

Planned sale of Ethos Energy Group Limited

On August 27, 2024, Siemens Energy signed an agreement for the sale of the 49% investment in Ethos Energy Group Limited ("Ethos"), headquartered in Aberdeen, United Kingdom, to OEP Emerald BidCo Limited, a subsidiary of the investment firm One Equity Partners LLC. Ethos is a global service provider of rotating equipment services and solutions. The carrying amount of the joint venture was classified as "held for disposal" as of September 30, 2024. The closing of the transaction is expected for the first half of fiscal year 2025.

NOTE 4 Interests in other entities

Investments accounted for using the equity method

(in millions of €)	Fiscal year 2024	2023
Share of profit (loss), net	55	83
Gains (losses) on sales, net	2,071	—
Impairment and reversals of impairment	84	—
Income (loss) from investments accounted for using the equity method, net	**2,210**	**83**

The gain on sales is mainly related to the partial sale of Siemens Energy's interest in Siemens Limited, registered in Mumbai, India. With the share purchase agreement signed December 1, 2023, an 18% stake in the shares of Siemens Limited was sold to Siemens AG on December 8, 2023 for a purchase price of €2,081 million. This resulted in a gain of €1,728 million in income from investments accounted for using the equity method. The remaining 6% stake in Siemens Limited will continue to be accounted for as an associate using the equity method, as Siemens Energy continues to have significant influence as a result of contractual agreements as well as from the Energy business conducted by Siemens Limited.

The remaining gain on sales includes gains from the sales of the 32% share in Windar Renovables, S.A., registered in Avilés, Spain, and the 20% share in Maschinenfabrik Reinhausen GmbH, registered in Regensburg, Germany, which closed on January 31, and February 22, 2024, respectively.

The positive result from reversals of impairment losses was mainly attributable to Siemens Energy's share in Ethos Energy Group Limited. During part of the sales process (see Note 3 Disposals and assets held for disposal) sufficiently reliable indications of a fair value less costs of disposal above the carrying amount were identified.

Material investments

Siemens Limited, India, is included in the Consolidated Financial Statements of Siemens Energy as an associated company accounted for using the equity method and is designated as a central item. The company offers products, integrated solutions for industrial applications for manufacturing industries, drives for process industries, intelligent infrastructure and buildings, efficient and clean power generation from fossil fuels and oil and gas applications, and transmission and distribution of electrical energy for passenger and freight transportation, including rail vehicles, rail automation and rail electrification systems. Summarized financial information for the investment is presented below. The information is based on the financial statements of Siemens Limited, India, in accordance with local accounting standards that in turn are based on and substantially converged with IFRS.

(in millions of €)	Siemens Limited, registered in Mumbai, India Mar 31, 2024	2023
Non-current assets	532	562
Current assets	2,040	1,743
Non-current liabilities	59	68
Current liabilities	968	886
Net assets	**1,545**	**1,352**
Percentage ownership interest	6%	24%
Group's share of net assets	**93**	**324**
Goodwill	20	82
Carrying amount of interest in associate	**113**	**406**
Reconciliation to carrying amount as of Sep 30	3	31
Carrying amount as of Sep 30	**116**	**437**

(in millions of €)	Apr 1, 2023 to Mar 31, 2024	Apr 1, 2022 to Mar 31, 2023
Revenue	2,334	1,978
Income (loss) from continuing operations after tax	260	183
Income (loss) from discontinued operations after tax	—	30
Other comprehensive income	(5)	(10)
Total comprehensive income	255	204
Group's share of total comprehensive income (24% until Dec 8, 2023, 6% since then)	**44**	**49**
Reconciliation Group's share of total comprehensive income for fiscal year 2024/ 2023	(23)	7
Group's share of total comprehensive income for fiscal year 2024/ 2023	21	56
Dividends received by the Group	**2**	**10**

The fair value of the investment in the associate amounted to €1,651 million as of September 30, 2024 (2023: €3,566 million).

Individually non-material investments

As of September 30, 2024, the carrying amount of all individually non-material associates amounted to €563 million (2023: €661 million), and the carrying amount of all individually non-material joint ventures amounted to €88 million (2023: €101 million). Summarized financial information for all individually non-material associates and joint ventures, adjusted for the percentage of ownership held by Siemens Energy, is presented below. Items included in the Statements of Comprehensive Income are presented for the twelve-month period reported using the equity method.

Associates

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Income (loss) from continuing operations	20	12
Other comprehensive income, net of income taxes	31	8
Total comprehensive income	**51**	**19**

Joint ventures

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Income (loss) from continuing operations	(7)	21
Other comprehensive income, net of income taxes	1	1
Total comprehensive income	**(6)**	**22**

NOTE 5 Other operating income and expense

In fiscal year 2024, other operating income mainly comprised the following: Gains on sales of intangible assets and property, plant and equipment; electricity income from company turbines; compensation under a settlement agreement; income from the deconsolidation of Gas and Power LLC, registered in Moscow, Russian Federation. As part of the restructuring of business activities in Russia, the liquidation of the company was filed for in fiscal year 2024 and Siemens Energy lost control of the company in the course of proceedings. In fiscal year 2023, other operating income mainly arose from the sales of intangible assets as well as property, plant and equipment and other outputs.

In fiscal year 2024, other operating expenses were mainly incurred in connection with sales of intangible assets and property, plant and equipment and businesses as well as expenses from hyperinflation accounting. In fiscal year 2023, other operating expenses were incurred in connection with sales of intangible assets and property, plant and equipment, among others.

NOTE 6 Income taxes

Income tax (expenses) benefits consist of the following:

(in millions of €)	Fiscal year 2024	2023
Current tax	(590)	(384)
Deferred tax	103	(818)
Income tax (expenses)	**(487)**	**(1,202)**

The current income tax in fiscal year 2024 and 2023 include adjustments recognized for current tax of prior years in the amount of €58 million (expense) and €18 million (expense), respectively.

In Germany, the calculation of current tax in fiscal year 2024 is based on a combined tax rate of 32%, as in the prior year, consisting of a corporate tax rate of 15%, a solidarity surcharge thereon of 5.5%, and an average trade tax rate of 16%. For foreign subsidiaries, current taxes are calculated on the basis of local tax law and applicable tax rates in the individual foreign countries. Deferred tax assets and liabilities in Germany and abroad are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Actual income tax expenses differ from the amounts computed by applying a combined statutory German income tax rate of 32% as follows:

(in millions of €)	Fiscal year 2024	2023
Income (loss) before income taxes	1,822	(3,387)
Expected income tax (expenses)	(583)	1,084
(Increase) decrease in income taxes resulting from:		
Non-deductible losses and expenses	(173)	(84)
Tax-free income	27	50
Taxes for prior years	(35)	14
Non-recognition and change in realizability of deferred tax assets and tax credits	(377)	(2,115)
Change in tax rates	(3)	1
Foreign tax rate differential	227	(132)
Tax effect of investments accounted for using the equity method	522	23
Other, net	(92)	(43)
Actual income tax expenses	**(487)**	**(1,202)**

The significant effects in the reconciliation of the income tax expense result from the following items: (1) the item "Tax effect of investments accounted for using the equity method" consists primarily of tax-exempt results from the disposal of shares in at-equity investments in India and Germany. (2) The "Non-recognition and change in realizability of deferred tax assets and tax credits" result from the ongoing loss history at Siemens Gamesa. The item consists of € negative 590 million (2023: € negative 1,270 million) for non-recognition and of €213 million (2023: € negative 845 million) for change in realizability of deferred tax assets and tax credits.

An expense for withholding taxes is included in item "Other, net" in the amount of €96 million (2023: €68 million).

Deferred income tax assets and liabilities are summarized as follows:

	Sep 30, 2024			Sep 30, 2023			Changes 2024	
(in millions of €)	DTA	DTL	net	DTA	DTL	net	Total	thereof P&L
Intangible assets	117	(626)	(509)	131	(706)	(576)	67	69
Pensions and similar obligations	634	(483)	151	551	(419)	132	19	(3)
Non-current assets and liabilities	714	(451)	263	833	(443)	390	(127)	(115)
Current assets and liabilities	1,906	(2,343)	(437)	1,889	(2,183)	(293)	(144)	(126)
Tax loss carryforwards, other loss carryforwards	797		797	538		538	259	267
Tax credits	12		12	1		1	11	11
Total deferred taxes (gross)	**4,180**	**(3,903)**	**277**	**3,944**	**(3,751)**	**192**	**85**	**103**
Netting	(3,488)	3,488	—	(3,456)	3,456	—	—	—
Total deferred taxes (net)	**692**	**(415)**	**277**	**487**	**(295)**	**192**	**85**	**103**

Other loss carryforwards mainly include interest carryforwards.

Net DTA amounting to €198 million (2023: €8 million) is recognized at companies in the USA, Sweden, Australia and Norway despite a current loss situation to the extent that it appears sufficiently certain that sufficient taxable income will be available in the future. This is justified by tax restructurings carried in current year in course of the integration of Siemens Gamesa.

Deferred tax balances (on a net basis) developed as follows in fiscal years 2024 and 2023:

	Fiscal year	
(in millions of €)	2024	2023
Balance at beginning of fiscal year of deferred tax assets	192	1,119
Income taxes presented in the Consolidated Statements of Income	103	(818)
Changes in items of the Consolidated Statements of Comprehensive Income	40	(64)
Other	(58)	(46)
Balance at end of fiscal year of deferred tax assets	**277**	**192**

"Other" mainly includes effects from currency translation. In fiscal year 2023 there was an additional effect resulting from the deconsolidation of assets and liabilities.

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

	Without time limitation		Forfeit 1 to 5 years		Forfeit 5 to 9 years		Forfeit 10 years and more	
(in millions of €)	2024	2023	2024	2023	2024	2023	2024	2023
Deductible temporary differences	3,543	3,639	-	-	-	-	-	-
Tax loss carryforwards	-	-	-	-	-	-	-	-
thereof								
Domestic German corporate income tax	2,278	1,686	-	-	-	-	-	-
Domestic German trade tax	2,199	1,767	-	-	-	-	-	-
Abroad	4,942	3,417	905	771	749	991	5,225	2,181
Tax credits	43	22	28	57	5	—	153	160

Siemens Energy did not recognize deferred tax liabilities for income taxes or foreign withholding taxes on the cumulative earnings of subsidiaries of €4,479 million in fiscal year 2024 (2023: €6,620 million) because the earnings are intended to be permanently reinvested in the subsidiaries.

NOTE 7 Contract assets, liabilities and revenues

As of September 30, 2024, amounts expected to be settled after twelve months were €840 million for Contract assets (2023: €948 million) and €5,243 million for Contract liabilities (2023: €3,419 million). In fiscal year 2024, €38 million were included in revenue, relating to performance obligations satisfied in previous periods (2023: €25 million). In fiscal year 2024, revenue included €10,921 million which was included in Contract liabilities at the beginning of the fiscal year (2023: €10,122 million). The increase in contract liabilities from €15,984 million to €18,867 million is mainly due to higher advance payments in connection with the increase in new orders.

NOTE 8 Inventories

		Sep 30,
(in millions of €)	**2024**	**2023**
Raw materials and supplies	2,139	2,361
Work in progress	4,636	4,250
Finished goods and products held for resale	2,286	1,753
Advances to suppliers	730	597
Total inventories	**9,792**	**8,961**

In fiscal year 2024, the Cost of sales included Inventories of €28,096 million (2023: €28,154 million) that were recognized as expenses. The write-downs amounted to €101 million (2023: €101 million).

NOTE 9 Goodwill

		Fiscal year
(in millions of €)	**2024**	**2023**
Cost		
Balance at beginning of fiscal year	10,020	10,494
Translation differences and other	(317)	(536)
Acquisitions and purchase accounting adjustments	(1)	67
Disposals and reclassifications to assets classified as held for disposal	(203)	(5)
Balance at end of fiscal year	**9,499**	**10,020**
Accumulated impairment losses and other changes		
Balance at beginning of fiscal year	(38)	(38)
Translation differences and other	(0)	0
Impairment losses recognized during the period (including those relating to disposal groups)	1	—
Disposals and reclassifications to assets classified as held for disposal	(0)	(0)
Balance at end of fiscal year	**(39)**	**(38)**
Carrying amount		
Balance at beginning of fiscal year	9,982	10,456
Balance at end of fiscal year	**9,461**	**9,982**

Siemens Energy performed the mandatory annual impairment test as of September 30, 2024. In the annual impairment test 2024, the recoverable amounts for the Group's cash-generating units were estimated to be higher than the carrying amounts.

For the purpose of estimating the value in use of the cash-generating units, cash flows were projected for the next five years or an appropriate period necessary to reach a steady state based on past experience, actual operating results, and management's best estimate about future developments as well as market assumptions.

The values in use are mainly driven by the terminal value, which is particularly sensitive to changes in assumptions about the terminal value growth rate and discount rate. Both assumptions are determined individually for each cash-generating unit. Discount rates are based on the Weighted Average Cost of Capital (WACC). The discount rates are calculated on the basis of a risk-free rate of interest and a market risk premium. In addition, the discount rates reflect the current market assessment of the risks specific to each cash-generating unit by 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 group is subject to an annual review and adjusted, if necessary. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following tables present the valuation parameters as well as the key assumptions used to determine the value in use for impairment test purposes for cash-generating units with a material goodwill:

				Sep 30, 2024
(in millions of €)	Goodwill	Terminal value growth rate	Pre-tax discount rate	Average revenue growth rate in the planning period
Gas Services	2,764	—	8.7%	3.9%
Grid Technologies	2,307	2.0%	10.9%	16.6%
Wind Turbines	1,179	2.0%	11.8%	12.4%
Operation and Maintenance	1,596	2.0%	12.8%	2.3%

				Sep 30, 2023
(in millions of €)	Goodwill	Terminal value growth rate	Pre-tax discount rate	Average revenue growth rate in the planning period
Gas Services	2,839	—	9.3%	(0.8)%
Grid Technologies	2,599	2.0%	12.1%	15.9%
Wind Turbines	1,144	2.0%	11.3%	12.5%
Operation and Maintenance	1,732	2.0%	12.6%	5.5%

Not material goodwill is allocated to the goodwill-carrying units within TI. The aggregate carrying amount of this goodwill amounted to €1,615 million as of September 30, 2024 (2023: €1,667 million). The average revenue growth rate in the planning period for these goodwill-carrying units was 9.9% as a whole (2023: 9.8%).

Profit margin ranges for fiscal year 2028	
Gas Services	12 – 14%
Grid Technologies	13 – 15%
Transformation of Industry	10 – 12%
Siemens Gamesa	3 – 5%

For the goodwill-carrying units GS and GT as well as for the goodwill-carrying units within TI, Siemens Energy assumes, based on the current profit margin and considering the existing geopolitical uncertainties and the transformation of the energy market, a continued positive business development. During the multi-year planning period expected profit margin ranges which, on average, reflect the respective externally communicated target profit ranges for fiscal year 2028 were applied.

At the same time, considering geopolitical developments, also with regard to gas supply, the Group is dealing with challenging structural global energy market trends, in particular for large gas turbines as a result of continuing decarbonization.

For the goodwill-carrying units Operation and Maintenance as well as Wind Turbines, Siemens Energy anticipates, based on the current challenging market environment in the wind industry, marked margin improvements in the coming years. The planning was based on improvements in the

ramp-up of production for the offshore activities and existing quality issues of certain onshore platforms as well as ongoing progress in product costs within the planning period. In addition, however, the Group is also dealing with challenging structural global energy market trends.

These structural changes are anticipated to be gradual over several years or decades and require the ability to adapt business models and cost structures accordingly while simultaneously offering the opportunity to position the Group with new products in a growing market amid an expected global increase in energy demand. The expectation that Siemens Energy will make the necessary adaptations with regard to these changes to respond to the risks and opportunities of climate change and decarbonization trends is reflected in its business planning, which forms the basis for the cash flows for the multi-year planning period and the cash flows used to derive the terminal values for its cash-generating units to which a significant amount of goodwill is allocated. As part of the planning process, in determining the relevant cash flows, various external studies such as those from S&P Global and the International Energy Agency regarding scenarios for the development of the global energy system were considered.

The sensitivity analysis for the cash-generating units was based on a reduction of 10% in future cash flows, or an increase of one percentage point in discount rates, or a reduction of one percentage point in the terminal value growth rate. Siemens Energy concluded that no impairment loss would need to be recognized on goodwill in any of the cash-generating units.

NOTE 10 Other intangible assets and property, plant and equipment

(in millions of €)	Gross carrying amount Oct 1, 2023	Translation differences	Additions through business combinations	Additions	Reclassi-fication	Retirements	Gross carrying amount Sep 30, 2024	Accumulated depreciation/ amortization and impairment	Carrying amount Sep 30, 2024	Depreciation/ amortization and impairment in fiscal year 2024
Internally generated technology	1,272	(3)	—	173	(0)	(28)	1,413	(673)	*740*	(142)
Acquired technology including patents, licenses and similar rights	2,656	(25)	—	4	0	(41)	2,594	(2,259)	*335*	(105)
Customer relationships and trademarks	4,404	(187)	1	—	(0)	(17)	4,201	(2,466)	*1,735*	(174)
Other intangible assets	**8,332**	**(215)**	**1**	**177**	**0**	**(85)**	**8,209**	**(5,398)**	*2,811*	**(421)**
Land and buildings	4,799	(53)	(0)	357	146	(317)	4,932	(2,035)	*2,897*	(313)
therein right-of-use assets	*1,945*	*(11)*	—	*273*	—	*(214)*	*1,994*	*(795)*	*1,199*	*(197)*
Technical equipment and machinery	5,200	(117)	2	420	185	(300)	5,390	(3,791)	*1,599*	(376)
therein right-of-use assets	*510*	*(0)*	—	*249*	—	*3*	*761*	*(310)*	*451*	*(111)*
Furniture and office equipment	2,721	(29)	2	427	86	(266)	2,941	(2,150)	*790*	(401)
therein right-of-use assets	*141*	*(5)*	*0*	*68*	*(0)*	*(18)*	*186*	*(107)*	*79*	*(40)*
Advances to suppliers and construction in progress	686	(13)	—	713	(417)	(35)	934	(0)	*934*	—
Property, plant and equipment	**13,406**	**(212)**	**4**	**1,916**	**(0)**	**(917)**	**14,197**	**(7,977)**	**6,220**	**(1,090)**

(in millions of €)	Gross carrying amount Oct 1, 2022	Translation differences	Additions through business combinations	Additions	Reclassi-fication	Retirements	Gross carrying amount Sep 30, 2023	Accumulated depreciation/ amortization and impairment	Carrying amount Sep 30, 2023	Depreciation/ amortization and impairment in fiscal year 2023
Internally generated technology	1,145	(11)	—	190	(0)	(53)	1,272	(562)	710	(142)
Acquired technology including patents, licenses and similar rights	2,699	(47)	1	3	0	(1)	2,656	(2,200)	456	(134)
Customer relationships and trademarks	4,659	(274)	18	—	—	—	4,404	(2,401)	2,003	(185)
Other intangible assets	**8,504**	**(332)**	**20**	**194**	**0**	**(54)**	**8,332**	**(5,163)**	**3,169**	**(461)**
Land and buildings	4,509	(127)	3	418	117	(120)	4,799	(1,920)	2,879	(330)
therein right-of-use assets	*1,727*	*(37)*	*2*	*325*	*—*	*(72)*	*1,945*	*(709)*	*1,237*	*(205)*
Technical equipment and machinery	5,089	(160)	—	333	164	(226)	5,200	(3,741)	1,459	(381)
therein right-of-use assets	*387*	*(3)*	*—*	*182*	*(3)*	*(53)*	*510*	*(193)*	*317*	*(74)*
Furniture and office equipment	2,530	(71)	1	368	89	(196)	2,721	(2,021)	700	(341)
therein right-of-use assets	*112*	*(3)*	*0*	*54*	*(0)*	*(23)*	*141*	*(80)*	*60*	*(34)*
Advances to suppliers and construction in progress	605	(14)	0	476	(369)	(12)	686	(0)	685	(1)
Property, plant and equipment	**12,733**	**(373)**	**4**	**1,596**	**1**	**(554)**	**13,406**	**(7,682)**	**5,724**	**(1,053)**

Intangible assets mainly relate to customer relationships and technology acquired in the Dresser-Rand Group Inc. and SG business acquisitions. Through the Dresser-Rand acquisition, Siemens Energy has a comprehensive portfolio of equipment and capability for the oil and gas industry and a much-expanded installed base, allowing Siemens Energy to address the needs of the market with products, solutions, and services. The customer relationships and technology that relate to the Dresser-Rand acquisition will be amortized over a period of 20 years. Intangible assets associated with the SG acquisition mainly relate to technology und customer relationships and are being amortized primarily over a period of eight to 20 years.

As of September 30, 2024, the gross carrying amount of advances to suppliers and construction in progress included mainly machinery and equipment under construction. As of September 30, 2024, contractual commitments for purchases of property, plant and equipment were €531 million (2023: €375 million).

In fiscal year 2024, government grants awarded for the purchase or the production of property, plant and equipment amounted to €11 million (2023: €4 million). The award of further government grants of €93 million (2023: €69 million), related to costs incurred and future costs, mainly related to expansions or new facilities for innovation or growth.

In fiscal year 2024, expenses not accounted for under the right-of-use model recognized for short-term leases were €265 million (2023: €333 million) and for low-value leases €9 million (2023: €10 million).

In fiscal year 2024 impairment losses of €37 million on other intangible assets and property, plant and equipment were recognized. In connection with the adjustment of the manufacturing footprint and capacity in Brazil and India, impairment losses of €42 million were recognized on other intangible assets and property, plant and equipment in fiscal 2023.

NOTE 11 Other current assets and liabilities

The other current assets in fiscal year 2024 and 2023 include other tax receivables including sales tax in the amount of €929 million and €825 million, respectively.

Other current liabilities consist of the following items:

(in millions of €)	2024	Sep 30, 2023
Liabilities to personnel	1,977	1,763
Accruals for pending invoices	853	783
Reservation fees	244	186
Other tax liabilities including sales tax	370	350
Other	238	292
Total other current liabilities	**3,681**	**3,375**

NOTE 12 Debt

	Current debt		Non-current debt	
		Sep 30,		Sep 30,
(in millions of €)	2024	2023	2024	2023
Loans from banks	64	820	350	350
Lease liabilities	320	300	1,437	1,291
Notes and bonds	80	471	1,495	1,550
Other financial indebtedness	16	0	5	(0)
Total debt	**479**	**1,591**	**3,287**	**3,190**

Changes in liabilities arising from financing activities

(in millions of €)	Oct 1, 2023	Cash flows	Non-cash changes: Acquisitions/ Disposals	Non-cash changes: Foreign currency translation	Non-cash changes: Reclassifi-cations and other changes	Sep 30, 2024
Loans from banks (current and non-current)	1,170	(729)	(6)	(21)	0	414
Lease liabilities (current and non-current)	1,590	(338)	(27)	(6)	537	1,757
Notes and bonds (current and non-current)	2,021	(480)	—	—	34	1,575
Other financial indebtedness (current and non-current)	0	(141)	—	—	162	21
Total debt	**4,781**	**(1,688)**	**(32)**	**(27)**	**734**	**3,767**

(in millions of €)	Oct 1, 2022	Cash flows	Non-cash changes: Acquisitions/ Disposals	Non-cash changes: Foreign currency translation	Non-cash changes: Reclassifi-cations and other changes	Sep 30, 2023
Loans from banks (current and non-current)	1,652	(426)	(12)	(57)	12	1,170
Lease liabilities (current and non-current)	1,415	(304)	(4)	(22)	506	1,590
Notes and bonds (current and non-current)	152	1,849	—	—	20	2,021
Other financial indebtedness (current and non-current)	5	(155)	—	—	150	0
Total debt	**3,224**	**963**	**(16)**	**(79)**	**689**	**4,781**

Credit facilities and loans

In February 2024, Siemens Energy entered into a new €4,000 million syndicated revolving credit facility for general corporate purposes. The facility has a maturity of five years with two one-year extension options subject to the lenders' consent after the first and second year. The facility was unused at the end of the reporting period. The two unused syndicated revolving credit facilities of €3,000 million (Siemens Energy) and €2,000 million (SG) existing as of September 30, 2023, have been terminated in February 2024. In the prior year, Siemens Energy had a syndicated bridge credit facility to finance the acquisition of all outstanding shares in Siemens Gamesa Renewable Energy S.A., amounting to €620 million, which was fully redeemed in February 2024.

In fiscal year 2024, the weighted average interest rate for loans from banks was 3.19% (2023: 4.41%).

Notes and bonds

On September 14, 2022, Siemens Energy issued a subordinated mandatory convertible note in the aggregate nominal amount of €960 million, which will be converted into no par value shares of the Company at maturity. The net proceeds were used to partially finance the purchase of all outstanding shares in Siemens Gamesa Renewable Energy S.A. The mandatory convertible note was accounted for as compound financial instrument. Only the present value of the coupons of 5.625% was recognized as financial liability. As of September 30, 2024, the financial liability amounted to €53 million (2023: €103 million).

On April 5, 2023, Siemens Energy issued a so-called Green Bond in the aggregate nominal amount of €1,500 million. The Green Bond comprises notes in the amount of €750 million with a term of three years, maturing on April 5, 2026, and an annual coupon of 4.00% and notes in the amount of €750 million with a term of six years, maturing on April 5, 2029, and an annual coupon of 4.25%. The proceeds were used to refinance Siemens Gamesa's existing debt. This qualifies as eligible green expenditure according to Siemens Energy's Green Bond Framework.

Siemens Energy has a commercial paper program in place under which, as of September 30, 2024, and September 30, 2023, up to €3,000 million in short-term debt instruments can be issued. As of September 30, 2024, no commercial papers were outstanding (2023: €432 million).

Lease liabilities

In fiscal year 2024 the interest expenses for lease liabilities amounted to €47 million (2023: €33 million). The expenses relating to variable lease payments not included in the measurement of lease liabilities added up to €54 million (2023: €38 million). Since both the use and volume of the leases are constant, no significant increase in variable future lease payments is expected. Moreover, future cash outflows to which the lessee is

potentially exposed that are not reflected in the measurement of lease liabilities include, among others, the following items: in fiscal year 2024, leases not yet commenced to which the lessee is committed of €604 million (2023: €513 million) and outflows arising from extension options of €262 million (2023: €327 million).

NOTE 13 Post-employment benefits/ Provisions for pensions and similar obligations

Siemens Energy provides post-employment defined benefit plans and defined contribution plans to almost all employees in Germany and the majority of employees outside Germany.

Defined benefit plans

Defined benefit plans which are open to new entrants are based predominantly on contributions made by Siemens Energy. Only to a certain extent are those plans affected by longevity, inflation, and compensation increases and consider country-specific differences. Siemens Energy's major plans are mostly funded with assets in segregated entities. In accordance with local laws and bilateral agreements with benefit trusts (trust agreement), those plans are managed in the interest of the beneficiaries. In fiscal year 2024, the defined benefit plans covered an average number of 63,000 participants, including 47,000 actives, 6,000 deferreds with vested benefits, and 10,000 retirees and surviving dependents in around 50 countries.

The majority of Siemens Energy pension liabilities relate to Germany, the United States of America and the United Kingdom. The pension landscapes in these three countries are described in detail below.

Germany

In Germany, pension benefits are provided through the following plans: BSAV (Beitragsorientierte Siemens Energy Altersversorgung), closed legacy plans, and deferred compensation plans. The majority of active employees participate in the BSAV. The benefits are predominantly based on notional contributions and their respective asset returns, subject to a minimum return guaranteed by the employer. At inception of the BSAV, benefits provided under the legacy plans were modified to substantially eliminate the effects of compensation increases. However, the legacy plans still expose Siemens Energy to investment risk, interest rate risk, and longevity risk. The pension plans are funded via contractual trust arrangements (CTA). In Germany, no legal or regulatory minimum funding requirements apply.

United States of America

The majority of the defined benefit plans in the U.S. have been closed to new entrants and frozen to future benefit accruals. Siemens Energy has appointed the Benefits Committee as the named fiduciary for the management of the assets of the plan. The plan's assets are held in the Trust and the Trustee of the Trust is responsible for the administration of the assets of the Trust, taking directions from the Benefits Committee. The plans are subject to the funding requirements under the Employee Retirement Income Security Act (ERISA) of 1974 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. At their discretion, sponsoring employers may contribute in excess of this regulatory requirement. Annual required contributions are calculated by independent actuaries.

United Kingdom

Pension benefits are mainly offered through the VA Tech U.K. Pension Scheme. The scheme provides benefits on retirement and death of its members and is closed for new entrants and frozen to future accruals. The required funding is determined by a funding valuation carried out every third year based on legal requirements. From April 2013, the Trustee arranged investments in insurance policies covering pension payments due to members, which significantly reduced the longevity and investment risks for the scheme and provided additional security for members.

Development of the defined benefit plans

(in millions of €)	Defined benefit obligation (DBO) (I) Fiscal year 2024	2023	Fair value of plan assets (II) Fiscal year 2024	2023	Net defined benefit balance (I - II)[1] Fiscal year 2024	2023
Balance at beginning of fiscal year	**2,710**	2,812	**2,353**	2,356	**384**	487
Current service cost	87	89	—	—	87	89
Interest expenses	133	128	—	—	135	130
Interest income	—	—	118	111	(118)	(111)
Other[2]	2	(8)	(5)	(2)	8	(6)
Components of defined benefit costs recognized in the Consolidated Statements of Income	**223**	209	**113**	108	**111**	103
Return on plan assets excluding amounts included in net interest income and net interest expenses	—	—	207	(45)	(207)	45
Actuarial (gains) losses	395	(109)	—	—	395	(109)
Remeasurements recognized in the Consolidated Statements of Comprehensive Income	**395**	(109)	**207**	(45)	**189**	(71)
Employer contributions	—	—	48	56	(48)	(56)
Plan participants' contributions	12	13	12	13	—	—
Benefits paid	(135)	(134)	(82)	(81)	(53)	(53)
Settlement payments	—	(1)	—	(0)	—	(1)
Business combinations, disposals and other[3]	(135)	7	(133)	0	(10)	6
Foreign currency translation effects	(58)	(85)	(43)	(54)	(15)	(32)
Other reconciling items	**(316)**	(201)	**(198)**	(66)	**(127)**	(135)
Balance at end of fiscal year	**3,012**	2,710	**2,473**	2,353	**558**	384
thereof						
Germany	*1,678*	*1,316*	*1,500*	*1,291*	*179*	*26*
U.S.	*721*	*718*	*498*	*500*	*222*	*218*
U.K.	*206*	*187*	*208*	*190*	*1*	*1*
Other countries	*407*	*489*	*267*	*373*	*156*	*139*
Total	**3,012**	2,710	**2,473**	2,353	**558**	384
thereof provisions for pensions and similar obligations					*600*	*519*
thereof net defined benefit assets (presented in Other assets)					*(42)*	*(135)*

[1] As of September 30, 2024 increasing effects of asset ceiling of €19 million (2023: €26 million) were included. The changes during fiscal year 2024 and 2023 relate to remeasurement effects.

[2] Includes past service benefits/ costs, settlement gains/ losses and administration costs related to liabilities.

[3] In fiscal year 2024 mainly resulting from the sale of the Trench Group.

Net interest expenses related to provisions for pensions and similar obligations in fiscal year 2024 amounted to €27 million (2023: €26 million). In fiscal year 2024, the DBO attributable to active employees stood at 58% (2023: 56%), the DBO attributable to former employees with vested rights stood at 10% (2023: 9%), and the DBO attributable to retirees and surviving dependents stood at 32% (2023: 35%).

The remeasurements comprise actuarial (gains) and losses resulting from:

(in millions of €)	Fiscal year 2024	2023
Changes in demographic assumptions	2	(13)
Changes in financial assumptions	327	(105)
Experience (gains) losses	67	9
Total	**395**	**(109)**

Actuarial assumptions

The weighted average discount rate used for the actuarial valuation of the DBO at period-end was as follows:

	Sep 30, 2024	2023
Discount rate	4.1%	5.2%
EUR	3.5%	4.6%
USD	4.7%	5.8%
GBP	5.1%	5.6%

The discount rates for the main currency zones were determined by adopting a yield curve approach reflecting the duration of the underlying liabilities. The yield curve approach builds on a spot rate yield curve which is derived from the yield of high-quality corporate bonds in the respective currency zone. The discount rates are obtained by combining the spot rate yield curve with the applicable duration of the liability. In currency zones with no deep market for high-quality corporate bonds the discount rate is directly determined based on yields for government bonds.

Applied mortality tables are:

Mortality table	Sep 30, 2024	2023
Germany	Heubeck-Richttafeln 2018 G	Heubeck-Richttafeln 2018 G
U.S.	Pri-2012 with generational projection from the U.S. Social Security Administration's Long Range Demographic Assumptions	Pri-2012 with generational projection from the U.S. Social Security Administration's Long Range Demographic Assumptions
U.K.	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)

The rate of pension progression and respective countries, in which this rate has significant effects, is shown in the following table. Inflation effects, if applicable, are included in the assumptions below:

Pension progression	Sep 30, 2024	Sep 30, 2023
Germany	2.3%	1.4%
U.K.	2.6%	2.7%

Sensitivity analysis

A change by half a percentage-point in the above assumptions would result in the following increase (decrease) of the DBO:

	Effect on DBO due to a half-percentage-point			
	Increase	Decrease	Increase	Decrease
(in millions of €)	Sep 30, 2024		Sep 30, 2023	
Discount rate	(134)	147	(112)	123
Rate of pension progression	53	(48)	41	(37)

The DBO effect of a 10% reduction in mortality rates for all beneficiaries would be an increase of €46 million as of September 30, 2024 (2023: €39 million).

During the periods presented, sensitivity determinations apply the same methodology as applied for the determination of the post-employment benefit obligation. Sensitivities reflect changes in the DBO solely for the assumption changed.

Asset liability matching strategies

A decline in the plans' funded status due to adverse developments of plan assets and/ or defined benefit obligation resulting from changing parameters is considered a significant risk. For this reason, the investment strategy for the plan assets is derived from the structure and characteristics of the defined benefit obligation and is based for most plans on asset liability management studies. As part of a liability-driven investment (LDI) concept, interest rate hedge ratios are defined for most plans to reduce the volatility of the funding level. The investment strategy, the hedging requirements, and the development of the funding level are regularly reviewed with the involvement of external experts in order to assess the overall picture of the interaction between plan assets and defined benefit obligation.

Independent asset managers are selected based on quantitative and qualitative analyses, which include their performance and risk evaluation. Derivatives are used to reduce risks as part of the risk management.

Disaggregation of plan assets

(in millions of €)	Sep 30, 2024	Sep 30, 2023
Equity securities	454	314
Fixed income securities	1,221	1,054
Government bonds	*367*	*389*
Corporate bonds	*854*	*664*
Alternative investments	122	62
Multi strategy funds	345	632
Insurance policies	286	244
Cash and cash equivalents	23	51
Other assets	22	(5)
Total	**2,473**	**2,353**

Virtually all equity securities have quoted prices in active markets. The fair value of fixed income securities is based on prices provided by price service agencies. The majority of the fixed income securities are traded in active markets and are rated investment grade. Multi strategy funds

invest in various asset classes depending on market environment. They aim to generate a certain absolute return at a given risk. Alternative investments include real estate and private equity.

Future cash flows

Employer contributions expected to be paid to defined benefit plans in fiscal year 2025 amount to €57 million. Over the next ten fiscal years, average annual benefit payments of €198 million were expected as of September 30, 2024 (2023: €196 million). The weighted average duration of the DBO for Siemens Energy defined benefit plans was 12 years as of September 30, 2024 (2023: 11 years).

Defined contribution plans and state plans

The amount recognized as expense for defined contribution plans amounted to €274 million in fiscal year 2024 (2023: €250 million). Contributions to state plans amounted to €531 million in fiscal year 2024 (2023: €495 million).

NOTE 14 Provisions

(in millions of €)	Warranties	Order related losses and risks	Other	Total
Balance as of October 1, 2023	**2,992**	**1,847**	**744**	**5,583**
therein non-current	*1,715*	*795*	*172*	*2,682*
Additions	1,904	595	401	2,900
Usage	(731)	(730)	(94)	(1,554)
Reversals	(407)	(325)	(105)	(838)
Translation differences	(60)	(30)	(30)	(119)
Accretion expense and effect of changes in discount rates	28	56	4	88
Other changes	(6)	(2)	(9)	(17)
Balance as of September 30, 2024	**3,721**	**1,411**	**912**	**6,044**
therein non-current	*2,025*	*565*	*290*	*2,880*

For the majority of non-current provisions, cash outflows during the next five years are expected.

Warranties relate to completed projects and products sold and are calculated on the basis of expected repair and replacement costs through projected failure rates determined using a statistical model. This anticipates product defects or functional failures that may arise during the warranty period and require repair. In addition, the recognition of non-recurring provisions is derived from various factors, such as customer complaints and quality issues, where the expected failure rates are above normal. Thus, provisions for warranties also include provisions for the repair of specific components due to exceptional technical problems. They are recognized as soon as the technical problem has been identified and the specific scope can be assessed. This includes issues such as serial defects, major repair cases of specific components and potentially derived customer claims. As of September 30, 2024, provisions for warranties amounted to €3,721 million (2023: €2,992 million), of which €2,636 million (2023: €1,961 million) related to the Segment SG.

Contract-related provisions for onerous contracts and risks are recognized for expected losses and risks from uncompleted construction contracts and sales. As of September 30, 2024, provisions for onerous contracts amounted to €1,411 million (2023: €1,847 million), of which €1,200 million (2023: €1,628 million) related to the Segment SG.

Other includes provisions for legal proceedings, as far as the risks that are subject to such legal proceedings are not already covered by project accounting. Provisions for legal proceedings as of September 30, 2024, amounted to €393 million (2023: €289 million).

NOTE 15 Equity

Issued capital

As of September 30, 2024 and 2023, the issued capital of Siemens Energy was divided into 799,309,712 registered shares with no-par value and a notional value of €1.00 per share. The shares are fully paid in. At the Shareholders' Meeting, each share has one vote and accounts for the shareholders' proportionate share in the Company's Net income. In principle, all shares confer the same rights and obligations. Shares held by Siemens AG (directly and indirectly) are subject to the restrictions arising from the existing deconsolidation agreement ("Entherrschungsvertrag").

Authorized capital (not issued)

As of September 30, 2024, the total authorized capital of Siemens Energy AG was up to €400 million, divided into up to 399,654,856 shares (2023: €291 million, divided into up to 290,658,077 shares). Based on the authorization approved by the Shareholders' Meeting, the shares can be issued according to the details set out in the authorization.

Conditional capital

As of September 30, 2024, the total conditional capital of Siemens Energy AG was €153 million (2023: €146 million). The Conditional Capital 2024 (up to €80 million, divided into up to 79,930,971 shares with no-par value) serves the purpose of issuing shares to holders/ creditors of convertible bonds or warrants under warrant bonds issued on the basis of the renewed authorization in accordance with the resolution of the Shareholders' Meeting on February 26, 2024. In addition, the Conditional Capital 2020 (up to €73 million, divided into up to 72,664,519 shares with no-par value) remains in place, as it can be used to issue shares to service claims arising from the mandatory convertible bond issued on September 14, 2022.

Treasury shares and share-based payment

On December 22, 2023, Siemens Energy announced a share buyback with a volume up to €130 million but not more than 67,820,753 shares, ending September 30, 2024, at the latest. The share buyback started on January 8, 2024, and was completed on February 14, 2024.

The following table presents the development of treasury shares:

	Fiscal year	
(in number of shares)	**2024**	**2023**
Balance at beginning of fiscal year	7,174,161	7,118,997
Share buyback	10,146,361	6,573,037
Issuance under share-based payment and employee share programs	(8,206,048)	(6,517,873)
Balance at end of fiscal year	**9,114,474**	**7,174,161**

Share-based payment expenses increased Capital reserve by €107 million in fiscal year 2024 (2023: €128 million). In connection with the settlement of share-based payment awards, Siemens Energy treasury shares (at cost) with a value of €140 million were transferred to employees in fiscal year 2024 (2023: €143 million), which decreased the Capital reserve and Retained earnings by €129 million (2023: €122 million) and €11 million (2023: €21 million), respectively.

Dividends

In fiscal year, dividends paid per share were €0.00 (2023: €0.00). For fiscal year 2024, the Executive Board and the Supervisory Board propose to distribute a dividend of €0.00 per share. This is contingent upon approval by the Shareholders' Meeting on February 20, 2025.

NOTE 16 Additional capital disclosures

Capital structure management

A key consideration of the capital structure management of Siemens Energy is to maintain ready access to capital markets through various debt instruments and to sustain the ability to repay and service the Company's debt obligations over time. The main performance measure used to assess the capital structure of Siemens Energy is the Adjusted net debt to EBITDA ratio. The main target is to maintain an investment-grade rating.

Net debt/ (net cash)		Sep 30,
(in millions of €)	2024	2023
Short-term debt and current maturities of long-term debt[1]	479	1,591
Plus: Long-term debt[1]	3,287	3,190
Total debt	**3,767**	**4,781**
Cash and cash equivalents	6,363	4,588
Total liquidity	**6,363**	**4,588**
Net debt/ (net cash)[2]	**(2,596)**	**193**
Plus: Provisions for pensions and similar obligations	600	519
Plus: Credit guarantees	45	47
Adjusted net debt/ (net cash)	**(1,951)**	**759**
EBITDA	**3,636**	**(1,742)**
Adjusted net debt to EBITDA[3]	**n/a**	**n/a**

[1] Includes the present values of the coupons of the mandatory convertible note amounting to €53 million as of 30. September 2024 (2023: €103 million).

[2] As of September 30, 2024, the net cash position is shown with a negative sign.

[3] The ratio cannot be interpreted in a meaningful way if the sign becomes negative. Therefore, no values are shown.

External credit rating

The Company's current corporate credit ratings are:

		Sep 30,
Standard & Poor's Global Ratings	**2024**	**2023**
Long-term debt	BBB-	BBB-
Short-term debt	A-3	A-3

NOTE 17 Commitments and contingencies

The following table presents the undiscounted amount of maximum potential future payments for major types of guarantees:

		Sep 30,
(in millions of €)	2024	2023
Credit guarantees	45	47
Guarantees of third-party performance	100	117
Other guarantees	63	139
Total	**208**	**303**

The item Credit guarantees shows the extent to which Siemens Energy is liable for financial obligations of third parties. Credit guarantees generally provide that, in the event of default or non-payment by the primary debtor, Siemens Energy will be required to settle such financial obligations. The maximum amount of these guarantees is equal to the maximum amount of the underlying lines of credit that can be drawn. The credit guarantees shown in the table are mostly guarantees for the external financial liabilities of a joint venture. The remaining term of these credit guarantees is up to five years.

Siemens Energy also issues guarantees for third-party performance, which mainly include guarantees of advance payments and performance bonds in consortium arrangements. In the event of a claim under the guarantees, Siemens Energy will be required to pay up to an agreed maximum amount. These agreements typically have terms of up to ten years. Besides the guarantees issued by Siemens Energy during the periods presented, Siemens Group has provided additional guarantees for the Siemens Energy business for which Siemens Group has a right of recourse against Siemens Energy in case the guarantees are invoked.

In addition, Siemens Energy issued other guarantees, including indemnifications in connection with the disposal of businesses. The table above shows the maximum future payments from these obligations to the extent that future claims are not considered unlikely.

Moreover, Siemens Energy acts as a partner in commercial partnerships, has capital contribution obligations and is jointly and severally liable for the partnerships' liabilities.

Besides that, some subsidiaries abroad have significant potential tax risks that were not recognized in the statement of financial position due to insufficient probability of occurrence. The potential tax risks result from a large number of individual cases involving indirect and direct taxes. Taken individually, the risks are not significant. In total, they amount to a mid three-digit million euro range. Contractual arrangements between Siemens Group and Siemens Energy also include mutual compensation obligations for potential tax effects triggered by changes in the shareholder structure of Siemens Energy. Depending on the time of occurrence of the changes as well as on the underlying valuations, this could lead to a cash outflow.

Siemens Energy and Siemens Group have agreed to initiate the process to spin off the energy business operated by Siemens Limited, Mumbai, India, into a separate legal entity with the aim of listing it on the Indian stock exchange. Siemens Energy is obligated to exchange its current 6% share in Siemens Limited for a stake in the separate legal entity at the then applicable fair value in one or several transactions. In addition, Siemens Energy has the obligation to acquire further shares in the separate legal entity from Siemens Group in order to achieve a total shareholding of 51%. This is expected to be completed three years after the listing of the separate legal entity. Certain taxes arising from the separation of the energy business in India, if they occur, shall be allocated between the parties.

NOTE 18 Legal proceedings

The following legal proceedings relate to the Siemens Energy business even if Siemens AG is, for procedural reasons, in some cases still mentioned as party to the proceedings.

Proceedings out of or in connection with alleged compliance violations

As reported, it became known in 2017 that gas turbines for a Russian project were illegally brought to Crimea. In 2018, the Hamburg public prosecutor's office initiated a criminal investigation inter alia against employees of Siemens Energy AG for violations of the German Foreign Trade Act. In early 2024, the Hamburg public prosecutor's office brought charges against five individuals and at the same time requested a so-called confiscation of proceeds of crime from third parties. The proceeding is not directed against Siemens Energy AG

Other proceedings and relevant compliance investigations

On September 30, 2024, Siemens Energy, Inc. (SEI) pleaded guilty in the U.S. to a felony via an agreement with the U.S. Department of Justice and agreed to pay US$104 million, pending court approval in December 2024. The plea stems from 2019 misconduct where confidential competitor pricing was improperly shared during a gas turbine project. SEI discovered the misconduct in 2020, investigated, voluntarily disclosed it to relevant parties, and fully cooperated with the U.S. government investigation. Disciplinary actions were taken, and compliance measures were strengthened. The gas turbine project was later terminated for unrelated reasons.

Siemens Energy is involved in numerous legal proceedings in various jurisdictions and is conducting internal investigations with regards to allegations of compliance violations which could lead to such legal proceedings. These legal proceedings could result, in particular, in Siemens Energy being subject to the payment of damages and punitive damages, equitable remedies or sanctions, fines, or disgorgement of profit. In individual cases, this may also lead to, among other things, formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. In addition, further legal proceedings may be commenced or the scope of pending legal proceedings may be extended. Asserted claims are generally subject to interest rates.

Some of these legal proceedings could result in adverse decisions for Siemens Energy, which may have material effects on its business activities as well as its financial position, results of operations, and cash flows.

For legal proceedings, information required under IAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed if the Company concludes that disclosure can be expected to seriously prejudice the position of the entity in a dispute with other parties.

NOTE 19 Additional disclosures on financial instruments

The following table discloses the carrying amounts of each category of financial assets and financial liabilities:

(in millions of €)	2024	Sep 30, 2023
Loans, receivables and other debt instruments measured at amortized cost[1]	7,652	6,919
Cash and cash equivalents (measured at amortized cost)	6,363	4,588
Derivatives designated in a hedge accounting relationship	257	234
Financial assets measured at FVTPL[2]	518	470
Financial assets	**14,790**	**12,210**
Financial liabilities measured at amortized cost[3]	10,313	11,767
Derivatives not designated in a hedge accounting relationship measured at FVTPL[4]	451	346
Derivatives designated in a hedge accounting relationship[4]	266	254
Financial liabilities	**11,030**	**12,366**

[1] Reported in the following line items in the Consolidated Statement of Financial Position as of September 30, 2024: Trade and other receivables, Other current financial assets and Other financial assets, except for equity instruments of €43 million disclosed separately in Other financial assets and derivative financial instruments of €616 million (therein in Other financial assets: €236 million), as well as debt instruments of €116 million measured at FVTPL in Other financial assets. Includes €7,072 million in trade and other receivables from the sale of goods and services, thereof €196 million with a term of more than twelve months.

[2] Reported in line items Other current financial assets and Other financial assets in the Consolidated Statement of Financial Position.

[3] Reported in the following line items in the Consolidated Statements of Financial Position as of September 30, 2024: Short-term debt and current maturities of long-term debt, Trade and other payables, Other current financial liabilities, Long-term debt and Other financial liabilities, except for derivative financial instruments of €716 million disclosed separately. Includes €6,293 million in Trade and other payables, therein €259 million with a term of more than twelve months.

[4] Reported in line items Other current financial liabilities and Other financial liabilities in the Consolidated Statement of Financial Position.

As of September 30, 2024, cash and cash equivalents included an amount of €379 million (2023: €125 million) that was not available for use by Siemens Energy, mainly bank balances used to secure guarantee lines and bank balances that cannot be drawn down due to ongoing litigation with the minority shareholder of a subsidiary.

The following table presents the fair values and carrying amounts of financial assets and financial liabilities measured at cost or amortized cost for which the carrying amounts do not approximate fair value:

	Mar 31, 2024		Sep 30, 2023	
(in millions of €)	Fair value	Carrying amount	Fair value	Carrying amount
Loans from banks	404	414	1,161	1,170
Notes and bonds	1,612	1,575	1,960	2,021

Fixed-rate and variable-rate receivables with a remaining term of more than twelve months are measured by Siemens Energy based on parameters such as interest rates, specific country risk factors, the individual creditworthiness of the customer, and the risk characteristics of the financed project. On the basis of this measurement, allowances for these receivables are recognized.

The fair value of notes and bonds, where available, is based on prices provided by price service agencies at the period-end date (Level 2). The fair value of other non-derivative financial liabilities, loans from banks, and other financial indebtedness is estimated by discounting future cash flows using rates currently available for debt with similar terms and remaining maturities (Level 2).

Siemens Energy uses the following hierarchy to determine and disclose fair values on the basis of the input factors used in the method to measure their fair values:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table allocates financial assets and financial liabilities measured at fair value to the three levels of the fair value hierarchy:

(in millions of €)	Level 1	Level 2	Level 3	Total
				Sep 30, 2024
Financial assets measured at fair value[1]	**—**	**623**	**152**	**775**
Equity instruments measured at fair value through profit or loss	—	7	37	43
Debt instruments measured at fair value through profit or loss	—	—	116	116
Derivative financial instruments	—	616	—	616
thereof not designated in a hedge accounting relationship (including embedded derivatives)	—	*359*	—	*359*
thereof in connection with cash flow hedges	—	*257*	—	*257*
Financial liabilities measured at fair value – Derivative financial instruments[2]	**—**	**548**	**168**	**716**
thereof not designated in a hedge accounting relationship (including embedded derivatives)	—	*282*	*168*	*451*
thereof in connection with cash flow hedges	—	*266*	—	*266*

[1] Reported in line items Other current financial assets and Other financial assets in the Consolidated Statement of Financial Position.

[2] Reported in line items Other current financial liabilities and Other financial liabilities in the Consolidated Statement of Financial Position.

(in millions of €)	Level 1	Level 2	Level 3	Total
				Sep 30, 2023
Financial assets measured at fair value[1]	**—**	**663**	**40**	**703**
Equity instruments measured at fair value through profit or loss	—	—	37	37
Debt instruments measured at fair value through profit or loss	—	—	3	3
Derivative financial instruments	—	663	—	663
thereof not designated in a hedge accounting relationship (including embedded derivatives)	—	*429*	—	*429*
thereof in connection with cash flow hedges	—	*234*	—	*234*
Financial liabilities measured at fair value – Derivative financial instruments[2]	**—**	**600**	**—**	**600**
thereof not designated in a hedge accounting relationship (including embedded derivatives)	—	*346*	—	*346*
thereof in connection with cash flow hedges	—	*254*	—	*254*

[1] Reported in line items Other current financial assets and Other financial assets in the Consolidated Statement of Financial Position.

[2] Reported in line items Other current financial liabilities and Other financial liabilities in the Consolidated Statement of Financial Position.

Siemens Energy measures the fair values of derivative financial instruments in accordance with the specific type of instrument. The fair values of foreign currency derivatives are based on current forward exchange rates and yield curves (Level 2). Compensating effects from underlying transactions (e.g., firm commitments and forecast transactions) are not taken into consideration. The fair values of equity and debt instruments measured at fair value are estimated by discounting future cash flows using current market interest rates (Level 3).

The amounts presented in Level 3 include a combined call/ put option over 5% of the 6% stake held overall in Siemens Limited, Mumbai, India, which was entered into in December 2023 to secure guarantee lines of €12 billion. The option grants Siemens Energy the right to sell the shares to Siemens AG at a fixed price of €750 million if this is necessary to cover any recourse claims the banks may have under the guarantee lines provided. Conversely, the option grants Siemens AG the right to purchase the shares at a fixed price of €750 million at any time after five years. As soon as Siemens Energy releases the guarantee lines, the purchase option of Siemens AG will forfeit.

The fair value of the option is determined based on the Black-Scholes model using estimates derived from market data for the probability of exercise. The most significant parameters affecting value are the share price of Siemens Limited, Mumbai, India, and the estimated probability that the guarantee lines will be released by Siemens Energy within five years of their conclusion. As of September 30, 2024, an increase (decrease) of 10% in the share price would increase (decrease) the negative fair value by €30 million (€29 million). An increase (decrease) of 5% in the estimated probability of the release of the guarantee lines would result in a decrease (increase) in the negative fair value by €38 million.

At inception, the option had an initial negative fair value of €108 million, which was recognized without affecting profit or loss and is subsequently amortized through profit or loss on a pro rata temporis basis, as no option premium was paid. In the fiscal year 2024, an expense of €17 million is

recorded in other financial income (expense). As of September 30, 2024, the negative fair value of the option was €168 million. The unrealized valuation loss of €60 million for the fiscal year 2024 is recorded in other financial income (expense).

Net gains/ (losses) on financial instruments are:

(in millions of €)	Fiscal year 2024	2023
Cash and cash equivalents	(10)	47
Loans, receivables and other debt instruments measured at amortized cost	(51)	34
Financial liabilities measured at amortized cost	(3)	(25)
Financial assets and financial liabilities at FVTPL	(74)	(28)

Interest income/ (expenses) included interest from financial assets and financial liabilities not measured at fair value through profit or loss:

(in millions of €)	Fiscal year 2024	2023
Total interest income on financial assets	174	129
Total interest expenses on financial liabilities	(149)	(239)

Valuation allowances for expected credit losses

Valuation allowances on financial instruments measured at amortized cost represent lifetime expected credit losses and changed as follows:

(in millions of €)	Trade receivables	Contract assets	Trade receivables	Contract assets
	Fiscal year 2024		Fiscal year 2023	
Valuation allowances at beginning of fiscal year	423	135	458	129
Change in valuation allowances recorded in the Consolidated Statements of Income in the current period	63	(23)	58	15
Write-offs charged against the allowance	(34)	—	(50)	—
Recoveries of amounts previously written off	0	—	0	—
Foreign exchange translation differences and other changes	(30)	(4)	(41)	(9)
Reclassifications to Assets held for disposal and disposals of those entities	—	—	(2)	0
Valuation allowances at end of fiscal year	**422**	**109**	**423**	**135**

Impairment losses on financial instruments are mainly presented in the Cost of sales line item.

Offsetting

Siemens Energy enters into master netting agreements and similar agreements for derivative financial instruments providing protection from the risk of a counterparty's insolvency. Potential offsetting effects are as follows:

(in millions of €)	Derivative financial assets Sep 30, 2024	2023	Derivative financial liabilities Sep 30, 2024	2023
Gross amounts	617	663	717	600
Amounts offset in the Statement of Financial Position	1	0	1	0
Net amounts in the Statement of Financial Position	616	663	716	600
Related amounts not offset in the Statement of Financial Position	270	271	270	271
Net amounts	**346**	**392**	**446**	**329**

NOTE 20 Derivative financial instruments and hedging activities

Fair values of each type of derivative financial instruments reported as financial assets or financial liabilities in the Other current financial assets (liabilities) or Other financial assets (liabilities) line items were:

(in millions of €)	Sep 30, 2024 Assets	Liabilities	Sep 30, 2023 Assets	Liabilities
Foreign currency exchange contracts	456	511	444	557
therein included in cash flow hedges	257	266	234	254
Other (including embedded derivatives)	161	205	218	42

Foreign currency cash flow hedge accounting

The operating units of Siemens Energy apply hedge accounting to certain significant forecast transactions and firm commitments denominated in foreign currencies. Particularly, foreign currency forward and swap contracts are designated completely (i.e. including the forward element) as hedging instruments into hedge accounting relationships. The hedging instruments are contracted in a way that the hedged items are either hedged in a 1:1 hedge ratio regarding the main characteristics, such as nominal amount, maturity, etc. (critical term match), or in a rollover approach (bulk hedging). This ensures an economic relationship between hedging instruments and hedged items suitable for hedge accounting.

Hedge effectiveness is determined during the period using the critical terms match method or the dollar offset method (hypothetical derivatives method). Ineffectiveness can occur when the characteristics between the hedging instrument and the hedged item do not exactly match. In principle, sources of ineffectiveness are the effect of credit risk on the fair value and timing differences between hedging instrument and hedged item. In the reporting period, no material ineffective portions were recognized in Net income.

The hedged foreign currency risks at the reporting date were mainly related to foreign currency fluctuations between EUR/DKK, EUR/USD and EUR/GBP resulting from long-term contracts entered into by Siemens Energy's operating units. The following table presents the average hedged rate of either a forward purchase or a forward sale for those foreign currencies together with the respective average remaining maturity:

Currency pairs	Buy/ sell foreign currency	2024 Average rate	Average remaining maturity	Fiscal year 2023 Average rate	Average remaining maturity
EUR/DKK	Buy	7.4395	2025	7.4307	2024
EUR/DKK	Sell	7.4441	2025	7.4184	2024
EUR/USD	Buy	1.1151	2025	1.0973	2024
EUR/USD	Sell	1.1211	2025	1.0978	2024
EUR/GBP	Buy	0.8728	2026	0.8958	2025
EUR/GBP	Sell	0.8753	2026	0.8867	2024

As of September 30, 2024, the nominal amounts of hedging instruments with remaining maturities of up to twelve months were €11,481 million (2023: €9,229 million). The nominal amounts of hedging instruments with remaining maturities of more than twelve months were €9,304 million (2023: €6,570 million).

The Cash flow hedges reserve and the Cost of hedging reserve for foreign currency hedges reconciled as follows (net of deferred taxes):

	Cash flow hedges reserve		Cost of hedging reserve	
		Fiscal year		Fiscal year
(in millions of €)	2024	2023	2024	2023
Balance at beginning of fiscal year	(1)	(100)	—	9
Hedging gains (losses) presented in OCI	59	101	—	(15)
Amounts reclassified into revenue (hedging of forecast sales)	(10)	(19)	—	—
Amounts reclassified into cost of sales	20	16	—	—
Amounts reclassified into other financial income (expense), net (financing related hedges)	—	—	—	—
Amounts reclassified into interest expenses (financing related hedges)	—	—	—	5
Balance at end of fiscal year[1]	**67**	**(1)**	**—**	**—**

[1] Therein Cash flow hedges reserve of discontinued hedge accounting relationships as of September 30, 2024 in the amount of €40 million (2023: €10 million).

The cost of hedging reserve corresponds to the forward element of forward contracts used for hedging internal loans. The hedging costs are not designated in a hedging relationship and recognized as interest expense on a straight-line basis as the hedged item is time-period related.

Derivative financial instruments not designated in a hedge accounting relationship

Not all derivative financial instruments entered into to hedge foreign currency risks qualify for hedge accounting. This is particularly relevant in case of derivatives that are entered into to hedge embedded foreign currency derivatives separated from non-financial host contracts. In addition, smaller exposures may not be designated into hedge accounting to avoid documentation effort.

Ongoing valuation effects of hedging derivatives that are in an economic hedging relationship with operating transactions but not formally designated into hedge accounting, are shown in cost of sales. In fiscal year 2024, a valuation loss from economic hedges of sales and purchase transactions of net €4 million is shown in cost of sales (2023: €108 million).

NOTE 21 Financial risk management

Market price fluctuations may result in significant earnings and cash flow volatility risk for Siemens Energy. The Siemens Energy business, as well as its investment and financing activities, are affected particularly by changes in foreign exchange rates and interest rates. Siemens Energy seeks to manage and control these risks by way of binding internal regulations, primarily through its regular operating and financing activities, and uses derivative financial instruments if deemed appropriate. Any market-sensitive instruments related to Siemens Energy pension plans are not included in the following quantitative and qualitative disclosures.

Foreign currency exchange rate risk

Transaction risk

Each Siemens Energy unit that conducts business with international counterparties leading to future cash flows denominated in a currency other than its functional currency is exposed to risks from changes in foreign currency exchange rates. Foreign currency exchange rate exposure is partly offset by purchasing goods, commodities, and services in the respective currencies, as well as production activities and other contributions along the value chain in the local markets.

The operating units are prohibited from borrowing or investing in foreign currencies on a speculative basis. Financing within Siemens Energy Group or investments of the operating units are preferably carried out in their respective functional currency or on a hedged basis. According to the Siemens Energy Group policy, Siemens Energy units are responsible for recording, measuring, and monitoring their foreign currency transaction exposure. The net foreign currency position of Siemens Energy units serves as a central performance measure and must be hedged within a band of at least 75% but no more than 100%. The Siemens Energy units conclude their hedging activities either with Siemens Energy Inhouse Treasury or directly with external financial institutions. Siemens Energy Inhouse Treasury hedges its foreign currency exchange rate risks with external counterparties within the internal counterparty limits.

The exposure to foreign currency transaction risk for each currency is measured on the basis of the net foreign currency position for each foreign currency, taking into account forecast transactions and monetary balance sheet items in foreign currency as well as hedging derivatives. The following table shows the largest foreign currency risk positions before and after hedging:

					Fiscal Year 2024
(in millions of €)	Firm commitments and forecast transactions	Monetary balance sheet items	Gross foreign currency position	Hedging derivatives	Net foreign currency position
DKK	(643)	(2,659)	(3,302)	2,543	(759)
JPY	114	(177)	(63)	184	121
SEK	(139)	(196)	(335)	444	109
USD	2,799	(40)	2,759	(2,808)	(50)
AUD	(18)	(99)	(117)	83	(35)

					Fiscal Year 2023
(in millions of €)	Firm commitments and forecast transactions	Monetary balance sheet items	Gross foreign currency position	Hedging derivatives	Net foreign currency position
USD	1,818	554	2,372	(2,292)	80
DKK	(928)	(680)	(1,608)	1,711	103
SEK	(236)	(222)	(458)	465	7
GBP	(80)	(604)	(684)	531	(153)
CNY	(128)	46	(82)	294	212

In order to quantify foreign currency risks, Siemens Energy calculates forward-looking sensitivities on the basis of the economically open risk positions per currency (net foreign currency position), which represent the economic risk and are also used for internal risk management. Actual results that are included in the Consolidated Statements of Income or Consolidated Statements of Comprehensive Income may differ substantially from sensitivities due to fundamental conceptual differences. While the Consolidated Statements of Income and Consolidated Statements of Comprehensive Income are prepared in accordance with IFRS, the sensitivities are calculated from a purely financial perspective and represent the potential financial gain/ loss that will occur economically on the open risk position. The sensitivities of the largest net foreign currency positions after hedging to foreign exchange rate movements are shown in the following table:

	2024				Fiscal year 2023
(in millions of €)	Appreciation of 10% against EUR	Devaluation of 10% against EUR	(in millions of €)	Appreciation of 10% against EUR	Devaluation of 10% against EUR
DKK	(76)	76	USD	31	(31)
JPY	12	(12)	DKK	10	(10)
SEK	11	(11)	SEK	7	(7)
USD	(5)	5	GBP	7	(7)
AUD	(3)	3	CNY	4	(4)

Translation risk

Many Siemens Energy units are located outside the Eurozone. Because the financial reporting currency of Siemens Energy is the euro, the financial statements of these subsidiaries are translated into euros for the preparation of the Consolidated Financial Statements. To consider the effects of foreign currency translation in the risk management, the general assumption is that investments in foreign-based entities are permanent and that reinvestment is continuous. Effects from foreign currency exchange rate fluctuations on the translation of net asset amounts into euros are reflected in the Company's consolidated equity position.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will result in changes in interest payments on variable interest-bearing financial instruments or that interest rate-induced changes in fair value of financial instruments will be recognized in profit or loss or in equity.

Siemens Energy is predominantly financed with fixed interest rates, but continuously analyzes the split of external financing at variable and fixed rates to optimize its interest rate risk exposure. Siemens Energy can use derivative financial instruments to perform a comprehensive interest rate risk management when appropriate.

If market interest rates had been 100 basis points higher (lower) as at the balance sheet date, earnings before income taxes would have been €1 million (2023: €6 million) lower (higher). There would have been no valuation effects to be recognized in equity.

Liquidity risk

Liquidity risk is the risk that Siemens Energy is not able to meet its financial liabilities. Siemens Energy mitigates liquidity risk through the implementation of effective working capital and cash management as well as the arrangement of credit facilities with financial institutions and the establishment of a commercial paper program. Liquidity risk from gross-settled derivatives is mitigated by way of netting agreements and the active diversification of derivatives across several partner banks.

The following table reflects Siemens Energy's contractually fixed cash outflows for settlement, repayments, and interest. The disclosed expected undiscounted net cash outflows from derivative financial liabilities are determined on the basis of each particular settlement date of a financial instrument and the earliest date on which Siemens Energy could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at September 30, 2024. The cash outflows for trade and other payables include amounts from Supply Chain Finance Programs. The participation of suppliers in the programs does not change the originally agreed payment terms so the due dates for payment remain unchanged. These programs serve to finance suppliers and therefore do not give rise to significant liquidity risks or concentration risks for Siemens Energy.

				Fiscal year
(in millions of €)	2025	2026	2027 to 2029	2030 and there-after
Non-derivative financial liabilities	6,927	1,501	1,738	909
thereof				
Loans from banks	73	352	—	—
Other financial indebtedness	17	5	—	—
Lease liabilities	360	301	628	904
Notes and bonds	141	812	846	—
Trade and other payables	6,035	11	248	—
Other financial liabilities	301	20	17	5
Derivative financial liabilities[1]	306	175	49	3
Credit guarantees[2]	45	—	—	—

[1] Derivative financial liabilities contain mostly foreign currency forward contracts consisting of a cash outflow in one currency and a cash inflow in another currency. The table above accordingly only shows the undiscounted net cash outflows. The corresponding gross cash outflows are €12,248 million for the fiscal year 2025, €6,349 million for the fiscal year 2026, €2,399 million for the fiscal years 2027 to 2029 and €54 million for the fiscal year 2030 and thereafter.

[2] Based on the maximum amounts Siemens Energy could be required to settle in the event of default by the primary debtor.

Credit risk

Credit risk is defined as an unexpected loss if the contractual partner fails to discharge its obligations in full and on time or if the value of collateral declines. Credit risk is already limited during the customer acceptance process in which the customer creditworthiness is assessed before entering into a business relationship. Each entity is responsible for ensuring robust credit risk management practices in its own operating activities.

The effective monitoring and controlling of credit risk during the lifetime of customer relationships is ensured through credit valuations based on ratings. As a rule, the ratings are obtained from Siemens Bank which maintains a Credit Risk Intelligence Unit to which numerous Siemens Energy operating units regularly transfer business partner data as the basis for a rating and credit limit recommendation process.

Siemens Bank ratings and individually defined credit limits are based on generally accepted rating methodologies, with information obtained from customers, reliable third-parties, data service providers, and credit default experiences. The ratings used consider appropriate forward-looking information significant to the specific financial instrument such as expected changes in the obligor's financial position, shareholder structure, management or operational risks, as well as broader forward-looking information, such as expected macroeconomic, industry-related, and competitive developments. A country-specific risk component is also considered. An exposure is considered defaulted if the obligor is unwilling or

unable to pay its credit obligations. A default rating is triggered by a range of internally defined events, including the opening of bankruptcy proceedings, receivables due past 90 days, or a default rating by an external rating agency.

The carrying amount is the maximum exposure to a financial assets' credit risk. Collateral reduces the valuation allowance to the extent that it mitigates credit risk. Collateral needs to be specific, identifiable, and legally enforceable to be taken into account.

As of September 30, 2024, collateral of €270 million (2023: €271 million) related to financial assets measured at fair value. That collateral was provided in connection with netting agreements for derivatives providing protection from the risk of a counterparty's insolvency. As of September 30, 2024, collateral held for financial assets measured at amortized cost was €281 million (2023: €160 million), comprising mostly letters of credit and guarantees. As of September 30, 2024, collateral held for Contract assets was €5 million (2023: €1 million), comprising mostly letters of credit.

As of September 30, 2024, the gross carrying amount (before valuation allowances) of trade receivables from the sale of goods and services amounted to €7,418 million (2023: €6,980 million). Based on rating information from Siemens Bank, 45% (2023: 43%) had an investment-grade rating and 55% (2023: 57%) had a non-investment-grade rating. Contract assets with a gross carrying amount of €4,299 million (2023: €4,288 million) generally share similar risk characteristics. Furthermore, cash and cash equivalents are mainly held at banks with an investment-grade rating. The amounts described above do not represent economic credit risks, since they take account of neither collateral held nor valuation allowances already recognized.

NOTE 22 Share-based payment

Share-based payment awards granted are based on Siemens Energy AG shares that have been granted based on existing and new Siemens Energy share-based payment programs.

Siemens Energy share-based payment programs

Share-based payment awards may be settled in treasury shares of Siemens Energy AG or in cash, at the discretion of Siemens Energy AG. They may be forfeited if the beneficiary's employment is terminated prior to expiration of the vesting period. At Siemens Energy Group level, these share-based payment plans are predominantly accounted for as equity-settled share-based payment transactions. Total pretax expense for share-based payments from Siemens Energy plans amounted to €107 million for the year ended September 30, 2024 (2023: €128 million).

Building Siemens Energy Incentive Program

Under the Building Siemens Energy Incentive (BSEI) Program, a low triple-digit number of key employees who made key contributions to preparing the Spin-Off were granted a one-time Spin-Off incentive in fiscal year 2020. The initial value of the incentive consisted of a percentage of the beneficiary's base salary at the grant date (BSEI target amount). It consisted of two elements: a short-term cash component, which corresponds to 25% of the BSEI target amount, and a long-term equity component that corresponds to 75% of the BSEI target amount and is composed of forfeitable stock awards (BSEI stock awards).

The cash component, totaling €5 million, was paid out in fiscal year 2021.

For the BSEI Program, the service period began in September 2020 and ended in September 2023. The significant drop in the stock market price of Siemens Energy shares as of the end of Q3 2023 resulted in only the minimum number of shares provided for in the plans being transferred in each case in Q4 2023 and the majority of the share awards granted under these plans being expired.

Changes in the number of stock awards are:

	2023
Balance at beginning of fiscal year (not vested)	1,532,922
Forfeited	(154,296)
Vested and fulfilled	(148,084)
Expired	(1,198,115)
Settled	(32,427)
Balance at end of fiscal year(not vested)	—

All Employee Program

In certain jurisdictions, similar employee Spin-Off incentive programs were set up to provide stock awards on substantially the same terms, but without a short-term cash component (the All Employee Program or AEP). The All Employee Program is a one-time incentive granted in fiscal year 2021.For the All Employee Program, the service period began in September 2020 and ended in September 2023. The significant drop in the

stock market price of Siemens Energy shares as of the end of Q3 2023 resulted in only the minimum number of shares provided for in the plans being transferred in each case in Q4 2023 and the majority of the share awards granted under these plans being expired.

Changes in the number of stock awards are:

	2023
Balance at beginning of fiscal year (not vested)	8,767,620
Forfeited	(340,133)
Vested and fulfilled	(1,579,255)
Expired	(6,775,374)
Settled	(72,858)
Balance at end of fiscal year (not vested)	—

Performance-oriented Stock Awards

Siemens Energy grants equity-settled stock awards to senior managers and Executive Board members. The stock awards are subject to a vesting period of four years and entitle the beneficiary to receive Siemens Energy shares without payment of consideration following the vesting period. A cash settlement is possible in exceptional cases.

The stock awards are tied to performance criteria. In this context, 40% of the target amount is linked to the relative total shareholder return (TSR) of Siemens Energy (TSR target). For stock awards granted in fiscal year 2022 and later (tranches 2022 to 2024), the TSR is calculated as follows: 50% compared with the total shareholder return of the STOXX Global 1800 Industrial Goods and Services (gross return) and 50% compared with the S&P Global Clean Energy Index (total return). For the 2021 tranche, the TSR is calculated as 70% compared to the Total Shareholder Return of the STOXX Global 1800 Industrial Goods and Services and 30% compared to the MVIS US-Listed Oil Services. A further 40% of the target amount is linked to the basic earnings per share (EPS target). The remaining 20% of the target amount is linked to an internal Siemens Energy sustainability target based on environment, social and governance targets (ESG targets). The target attainment for each performance criterion ranges between 0% and 200%.

In fiscal year 2024, senior managers were granted stock awards settled in shares with a fair value of €11 million (2023: €27 million). Executive Board members were not granted any of the above-mentioned stock awards in fiscal year 2024 due to restrictions on compensation set forth in the agreement with the German federal government from December 2023 regarding the granting of a federal guarantee.

The weighted average fair value of shares granted to senior managers in fiscal year 2024 amounted to €8.25 per share (2023: €12.59 per share) and was determined as the market price of the Siemens Energy share less the present value of expected dividends.

The fair value of the TSR-based stock awards granted was calculated using an option price model on the basis of a Monte Carlo simulation. In addition to the expected € interest rates, share volatility based on peer-group data is also considered.

Changes in the number of stock awards held by senior managers and Executive Board members are:

	Fiscal year	
	2024	2023
Balance at beginning of fiscal year (not vested)	**3,407,490**	2,069,731
Granted	1,308,377	2,140,590
Forfeited	(338,630)	(262,003)
Adjustment in number of stock awards[1]	597,463	(509,821)
Settled	22,504	(31,007)
Balance at end of fiscal year (not vested)	**4,997,204**	3,407,490

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

In addition, agreements were reached with the members of the Executive Board in fiscal year 2024, each of which provides for the one-time allocation of stock awards with settlement through equity instruments, subject to the condition precedent. The allocation of the stock awards is subject to the conditions precedent that the phase during which Siemens Energy can draw guarantees under the Federal Guarantee has ended at the latest by September 30, 2026, the restrictions on compensation for members of the Executive Board under the Federal Guarantee are no longer applicable and the recipient continues to be a member of the Executive Board. The conditional share grants entitle the beneficiary to receive Siemens Energy shares without additional payment after a period of two years (vesting period) and subject to the achievement of certain performance criteria during the vesting period. The vesting period begins on the first calendar day of the fiscal year in which the above conditions are met. Before the above conditions are met (in particular, before the compensation restrictions under the Federal Guarantee are lifted), the

members of the Executive Board are not entitled to the actual granting of Siemens Energy shares, nor are they entitled to such shares on a pro-rata basis before all the conditions have been met.

The aim of the agreement is to ensure continuity of leadership and that their commitment to Siemens Energy in light of the challenges Siemens Energy is facing is reflected in remuneration that is fair and is in line with the company's long-term strategic interests.

The conditionally granted stock awards are tied to the fulfillment of certain performance criteria over the vesting period. 40% of the target amount is linked to the relative total shareholder return (TSR) of Siemens Energy (TSR target), which is compared to the total shareholder return of the STOXX Global 1800 Industrial Goods and Services (gross return). A further 40% of the target amount is linked to the basic earnings per share (EPS target). The remaining 20% of the target amount is linked to an internal Siemens Energy sustainability target based on environment, social and governance targets (ESG targets). The target attainment for each performance criterion ranges between 0% and 250%.

The one-time 2,136,901 stock awards conditionally granted to the members of the Executive Board in fiscal year 2024 have a weighted-average fair value of €15.29 per share. This was derived from the price of the Siemens Energy share, less the present value of the expected dividends.

The fair value of the TSR-based stock awards was calculated using an option price model on the basis of a Monte Carlo simulation. In addition to the expected € interest rates, share volatility based on peer-group data is also considered.

Direct Match Program

In certain countries, employee participation programs have been established for the purchase of Siemens Energy shares, which are then matched by additional stock awards without any further payment (the Direct Match Program).

Under the global Direct Match Program, employees may invest a certain proportion of their compensation in Siemens Energy shares (investment shares). The shares are purchased at the market price on a predetermined date in the second quarter of the fiscal year. Plan participants have the right to receive one Siemens Energy share (matching share) for every three investment shares. Employees are entitled to participate if they have worked without interruption for the Group throughout the vesting period of around three months. Both the investment shares and the matching shares are subject to a lock-in period of one year. The investment amount is up to 5% of the annual gross salary calculated for each country.

The employees of participating companies in Germany are entitled to receive two matching shares per investment share for an investment of €100 in Siemens Energy shares and one additional free matching share per investment share for a further investment of €160. Neither the investment shares nor the additional matching shares are subject to a vesting period. For each additional investment, participants have the right to receive one free matching share for every three investment shares.

Under this program, matching shares are granted to a certain monetary value of €26 million (2023: €23 million). The fair value is therefore determined on the basis of a fixed amount on the grant date.

Changes in the matching shares resulting from the Direct Match Program are:

	Fiscal year	
	2024	2023
Balance at beginning of fiscal year (not vested)	—	—
Granted	1,786,885	1,159,663
Vested and fulfilled	(1,786,885)	(1,159,663)
Balance at end of fiscal year (not vested)	—	—

Ratable Stock Awards Program

The Ratable Stock Awards Program grants eligible employees equity-settled stock awards that entitle them to receive one Siemens Energy share without payment of consideration at the end of a lock-in period. These stock awards may be granted up to three times in a fiscal year. The shares that make up the award are vested gradually which means that one quarter of the stock awards become exercisable each year (known as graded vesting). The fair value of the stock awards on the grant date is determined as the market price of the Siemens Energy share on the grant date less the present value of expected dividends. Due to the vesting structure, each tranche is accounted for as a separate share-based payment component. The total fair value of ratable stock awards granted in 2024 amounted to €59 million (2023: €97 million). The weighted average fair value of shares granted in fiscal year 2024 amounted to €11.20 per share (2023: €17.64 per share) and was determined as the market price of the Siemens Energy share less the present value of expected dividends.

Changes in the number of stock awards held by selected employees are:

	Fiscal year	
	2024	2023
Balance at beginning of fiscal year (not vested)	**7,157,971**	2,669,691
Granted	5,205,158	5,480,800
Forfeited	(525,711)	(223,153)
Vested and fulfilled	(2,011,899)	(750,327)
Settled	(45,271)	(19,040)
Balance at end of fiscal year (not vested)	**9,780,248**	7,157,971

Jubilee Share Program

For their tenth service anniversary, eligible employees will receive Siemens Energy jubilee shares worth €800; for each of their 25th, 40th and 50th service anniversaries, eligible employees will receive Siemens Energy jubilee shares worth €4,000. For each of their 25th, 40th and 50th service anniversaries, certain senior managers will receive Siemens Energy jubilee shares worth €18,000. Depending on the share price at the time, these amounts will result in the award of different numbers of shares. There were 3,884,879 (2023: 3,973,333) entitlements to jubilee shares outstanding as of September 30, 2024.

NOTE 23 Personnel costs

	Fiscal year	
(in millions of €)	2024	2023
Wages and salaries	(8,145)	(7,386)
Statutory social welfare contributions and expenses for optional support	(1,165)	(1,072)
Expenses relating to post-employment benefits	(370)	(335)
Total personnel costs	**(9,680)**	**(8,793)**

In fiscal year 2024, severance charges amounted to €70 million (2023: €50 million).

Employees were engaged in (averages; based on headcount):

	Fiscal year	
(in thousands)	2024	2023
Manufacturing and services	78	74
Sales and marketing	8	8
Research and development	4	4
Administration and general services	7	7
Total	**98**	94

NOTE 24 Earnings per share

(in millions of €; shares in thousands; earnings per share in €)	Fiscal year 2024	2023
Income (loss)	1,335	(4,588)
Less: Portion attributable to non-controlling interest	150	(57)
Income (loss) to shareholders of Siemens Energy AG	1,184	(4,532)
Weighted average shares outstanding - Basic	862,804	828,902
therein shares from mandatory convertible note	*72,617*	*72,617*
Effect of dilutive share-based payment	11,882	—
Weighted average shares outstanding - diluted	874,685	828,902
Basic earnings per share	**1.37**	**(5.47)**
Diluted earnings per share	**1.35**	**(5.47)**

In fiscal year 2023, 8,335 thousand potential ordinary shares from share-based payment programs were anti-dilutive and therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

NOTE 25 Segment information

Measurement – segments

Accounting policies for segment information are generally the same as those used for the Consolidated Financial Statements. However, for internal and segment reporting purposes intercompany lease transactions are classified as operating leases by the lessor and are accounted off-balance by the lessee. Intersegment transactions are based on market prices.

Orders

Orders are determined principally as the expected revenue of accepted purchase orders for which enforceable rights and obligations exist as well as subsequent order value changes and adjustments, excluding letters of intent. To determine orders, Siemens Energy considers termination rights and customers' creditworthiness.

As of September 30, 2024, the order backlog totaled €123 billion (2023: €112 billion), thereof GS €45 billion (2023: €41 billion), GT for €33 billion (2023: €23 billion), TI for €8 billion (2023: €7 billion), and SG €38 billion (2023: €42 billion). As of September 30, 2023, Siemens Energy expected to convert approximately €33 billion of the order backlog into revenue in fiscal year 2025 (2023: €29 billion), thereof order backlog of GS of approximately €10 billion (2023: €8 billion)), GT of approximately €10 billion (2023: €8 billion), TI of approximately €4 billion (2023: €4 billion), and order backlog of Siemens Gamesa of approximately €9 billion (2023: €10 billion). In addition Siemens Energy expected to convert approximately €24 billion of the order backlog into revenue in fiscal year 2026 (2023: €23 billion), thereof order backlog of GS of approximately €6 billion (2023: €6 billion)), GT of approximately €7 billion (2023: €6 billion), TI of approximately €2 billion (2023: €2 billion), and order backlog of SG of approximately €9 billion (2023: €9 billion).

Revenue

Revenue includes revenue from contracts with customers. The segments recognize revenue from sales from construction type contracts, services and sale of goods. Due to the nature of the long-term contracts, Siemens Energy recognize revenue predominantly over time.

Profit before Special Items

Siemens Energy Management is responsible for assessing the performance of the segments (chief operating decision maker). The profitability measure of the segments is Profit before Special Items which is defined as income (loss) before income taxes, interest income and expenses, and other financial income (expenses), net, adjusted for amortization of intangible assets acquired in business combinations and goodwill impairments.

To increase comparability year-on-year, we use Profit before Special items. Special items refer to the following topics:

- **Restructuring and integration costs**: Restructuring costs refer to personnel measures leading to severance charges, including costs for terminating service contracts with Siemens Group (Siemens AG and its subsidiaries). Integration costs that occur at SG are related to the integration of companies as well as in the course of the integration of SG into the Group and the corresponding transaction costs.
- **Stand-alone costs** relate to the separation from Siemens Group and the formation of Siemens Energy as an independent enterprise.

- Starting with fiscal year 2024, the definition of **strategic portfolio decisions** was specified more precisely. As a result, Special items relating to strategic portfolio decisions include significant expenses and income in connection with the acquisition, disposal or discontinuation of businesses

The Profit before Special items for Siemens Energy in fiscal year 2024 amounts to a positive amount of €345 million (2023: negative amount of €2,776 million).

Asset measurement principles

Management has determined assets, defined as net capital employed, as a measure for assessing the capital intensity of the segments. The assets are based on the assets reported in the Consolidated Statements of Financial Position, which are allocated to the segments, excluding assets in connection with taxes, as the corresponding income and expenses are also excluded from the result of the segments. While the result of the segments is adjusted for amortization of intangible assets acquired in business combinations and impairment of goodwill, the assets of the segments include intangible assets acquired in business combinations and goodwill. The remaining assets are reduced by interest-free liabilities, e.g. trade payables, with the exception of tax liabilities (Liability-based adjustments).

Free cash flow pre tax

Free cash flow of the segments constitutes cash flows from operating activities less additions to intangible assets and property, plant and equipment. It excludes financing interest, except for cases where interest on qualifying assets is capitalized or classified as contract costs; it also excludes income taxes as well as certain other payments and proceeds.

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, each net of reversals of impairment.

	Orders		Revenue		Profit before Special items	
	Fiscal year		Fiscal year		Fiscal year	
(in millions of €)	2024	2023	2024	2023	2024	2023
Gas Services	16,365	12,897	10,796	10,914	1,021	1,035
Grid Technologies	20,901	15,798	9,280	7,180	976	545
Transformation of Industry	6,413	5,569	5,109	4,438	380	229
Siemens Gamesa	7,256	16,836	10,008	9,092	(1,781)	(4,347)
Total segments	**50,935**	**51,100**	**35,193**	**31,625**	**596**	**(2,538)**
Reconciliation to Consolidated Financial Statements	(708)	(654)	(727)	(506)	(251)	(238)
Siemens Energy	**50,226**	**50,446**	**34,465**	**31,119**	**345**	**(2,776)**

	External revenue		Internal revenue	
	Fiscal year		Fiscal year	
(in millions of €)	2024	2023	2024	2023
Gas Services	10,545	10,781	251	133
Grid Technologies	9,064	6,952	216	228
Transformation of Industry	4,807	4,237	302	201
Siemens Gamesa	10,006	9,091	2	1
Total segments	**34,422**	**31,061**	**771**	**564**
Reconciliation to Consolidated Financial Statements	44	58	(771)	(564)
Siemens Energy	**34,465**	**31,119**	**—**	**—**

(in millions of €)	Assets Sep 30, 2024	Assets Sep 30, 2023	Free cash flow pre tax Fiscal year 2024	Free cash flow pre tax Fiscal year 2023	Additions to intangible assets and property, plant and equipment Fiscal year 2024	Additions to intangible assets and property, plant and equipment Fiscal year 2023
Gas Services	2,538	2,782	1,393	970	241	162
Grid Technologies	599	2,388	2,228	1,236	197	142
Transformation of Industry	1,778	1,856	411	192	71	62
Siemens Gamesa	258	(183)	(2,123)	(1,604)	818	724
Total segments	**5,173**	**6,842**	**1,908**	**794**	**1,326**	**1,090**
Reconciliation to Consolidated Financial Statements	45,702	41,064	(50)	(10)	188	138
Siemens Energy	**50,874**	**47,907**	**1,859**	**784**	**1,514**	**1,228**

(in millions of €)	Amortization, depreciation and impairments Fiscal year 2024	Amortization, depreciation and impairments Fiscal year 2023	Investments accounted for using the equity method Sep 30, 2024	Investments accounted for using the equity method Sep 30, 2023
Gas Services	201	197	586	526
Grid Technologies	84	85	58	207
Transformation of Industry	74	74	2	2
Siemens Gamesa	856	857	1	1
Total segments	**1,215**	**1,212**	**647**	**735**
Reconciliation to Consolidated Financial Statements	296	303	120	463
Siemens Energy	**1,511**	**1,515**	**767**	**1,198**

Reconciliation to Consolidated Financial Statements

Reconciliation to Consolidated Financial Statements includes items, which management does not consider to be indicative of the segments' performance – mainly group management costs (management and corporate functions), other central items, Treasury activities as well as eliminations. Other central items include Siemens brand fees, corporate services (e.g. management of the Group's real estate portfolio (except SG)), corporate projects, centrally held equity interests and other items.

Profit

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Profit before Special items Total segments	**596**	**(2,538)**
Reconciliation to Profit of Siemens Energy	(251)	(238)
Siemens Energy Profit before Special items	**345**	**(2,776)**
Special items	2,038	(184)
Siemens Energy Profit	**2,383**	**(2,960)**
Amortization of intangible assets acquired in business combinations and goodwill impairments	(258)	(297)
Financial result	(303)	(130)
Income (loss) before income taxes	**1,822**	**(3,387)**
Income tax (expenses) benefits	(487)	(1,202)
Net income (loss) after taxes	**1,335**	**(4,588)**

Assets (in millions of €)	Sep 30, 2024	2023
Asset-based adjustments:		
Tax receivables, Deferred tax assets	*1,052*	*941*
Liability-based adjustments	36,841	33,483
Eliminations, Treasury and other central items	7,809	6,641
Reconciliation to Consolidated Financial Statements	**45,702**	**41,064**

Disaggregation of external revenue of Segments

(in millions of €)	Fiscal year 2024	2023
Type of activities in segment Gas Services		
New units	3,602	4,169
Service contracts	6,943	6,612
Type of activities in segment Grid Technologies		
New units	8,528	6,492
Service contracts	536	460
Types of activities in segment Transformation of Industry		
New units	2,541	2,279
Service contracts	2,265	1,958
Types of businesses in segment Siemens Gamesa		
Wind Turbines	7,565	7,032
Operation and Maintenance ("Service")	2,441	2,059

NOTE 26 Information about geographies

(in millions of €)	Revenue by location of customer Fiscal year 2024	2023	Revenue by location of companies Fiscal year 2024	2023	Non-current assets[1] Sep 30, 2024	2023
Europe, C.I.S., Middle East, Africa	18,087	14,775	20,357	17,368	9,719	9,374
therein Germany	*3,144*	*2,532*	*7,912*	*6,478*	*2,243*	*2,340*
Americas	10,258	9,986	9,645	8,994	6,569	7,177
therein U.S.	*6,919*	*5,764*	*6,769*	*5,745*	*5,995*	*6,458*
Asia, Australia	6,120	6,358	4,464	4,756	2,203	2,323
therein China	*1,516*	*1,502*	*1,490*	*1,366*	*694*	*742*
Siemens Energy	**34,465**	**31,119**	**34,465**	**31,119**	**18,491**	**18,874**
therein countries outside of Germany	*31,321*	*28,587*	*26,554*	*24,641*	*16,249*	*16,534*

[1] non-current assets consist of property, plant and equipment; goodwill; and other intangible assets.

NOTE 27 Related party transactions

Transactions and contracts with Siemens Group

On December 18, 2023, Siemens AG transferred 8% of its interest in Siemens Energy AG to Siemens Pension Trust e.V. As a result, Siemens AG's interest in Siemens Energy AG decreased from 25.1% to 17.1%. Since this date, Siemens AG no longer exercises significant influence over Siemens Energy AG and is no longer a related party (including its subsidiaries and joint ventures). Information on sales of goods and services and other income, as well as purchase of goods and services and other expenses from transactions with Siemens AG and its subsidiaries for the fiscal year 2024 is provided up to December 18, 2023.

	Sales of goods and services and other income		Purchase of goods and services and other expenses[1]	
	Fiscal year		Fiscal year	
(in millions of €)	2024	2023	2024	2023
Siemens Group	103	440	257	1,247

[1] For better comparability, the item "Purchase of goods and services and other expenses" includes inventories received, in analogy to transactions with joint ventures and associates.

Supply and delivery agreements exist between Siemens Energy and Siemens Group. Siemens Energy is supplied with and delivers to Siemens Group goods and services generally on arm's length terms. In certain countries, the business of the business areas Gas Services, Grid Technologies and Transformation of Industry is carried out under agency and distributorship agreements that were concluded between Siemens Energy Global GmbH & Co. KG and the respective local Siemens Group companies.

During the Carve-Out, some contracts could not be or were not yet legally transferred from Siemens Group to Siemens Energy. These contracts are generally subcontracted from Siemens Group to Siemens Energy with recourse to Siemens Energy in respect of risks.

Siemens Energy received central corporate services from Siemens Group until it ceased to be a related party on December 18, 2023 resulting in expenses of €101 million (2023: €477 million). Therein are expenses of €51 million (2023: €166 million) for the use of the Siemens brand.

As described in Note 4 Interests in other entities, a partial sale of Siemens Energy's interest in Siemens Limited, registered in Mumbai, India to the Siemens Group took place in December 2023.

Transactions with joint ventures, associates, and their affiliates

Siemens Energy has relationships with Siemens Group joint ventures and associates as well as its own joint ventures and associates, whereby Siemens Energy buys and sells a variety of products and services generally on arm's length terms.

	Sales of goods and services and other income		Purchases of goods and services and other expenses		Receivables and contract assets		Payables and contract liabilities	
	Fiscal year		Fiscal year		Sep 30,		Sep 30,	
(in millions of €)	2024	2023	2024	2023	2024	2023	2024	2023
Siemens Group joint ventures[1]	7	68	1	9	—	—	—	—
Siemens Energy joint ventures	131	107	121	111	25	13	9	38
Siemens Energy associates	229	99	253	226	43	34	87	78
Total	**367**	273	**375**	346	**68**	47	**97**	117

[1] Information on sales of goods and services and other income, purchase of goods and services and other expenses from transactions with Siemens AG and its subsidiaries for the fiscal year 2024 is provided up to December 18, 2023.

Siemens Energy issued guarantees for its own joint ventures and associates amounting to €47 million as of September 30, 2024 (2023: €56 million). Commitments to make capital contributions to associated companies amounted to €60 million as of September 30, 2024 (2023: €143 million).

Related individuals

Siemens Energy is managed by the Executive Board of Siemens Energy AG. In addition, the key management includes the Supervisory Board of Siemens Energy AG.

Disclosures relating to the Executive Board and Supervisory Board of Siemens Energy AG

The total compensation of the members of the Executive Board in accordance with Section 314 para. 1 No. 6 a in conjunction with Section 315e para. 1 of the German Commercial Code amounted to €40 million in fiscal year 2024 (2023: €21 million). This includes share-based compensation with a fair value of €33 million (2023: €8 million) for 2,136,901 (2023: 734,711) stock awards. The total compensation of the members of the Executive Board in fiscal year 2024 in accordance with IAS 24.17 (expense-based) amounted to €18 million (2023: €17 million). Of this, €7 million (2023: €14 million) was attributable to short-term benefits and €5 million (2023: €0) to other long-term benefits. Expenses of €5 million (2023: €3 million) were recognized for share-based compensation in fiscal year 2024. Compensation attributable to members of the Supervisory Board comprised base compensation and additional compensation for committee work and (including meeting fees) amounted to €5 million in fiscal year 2024 (2023: €5 million). There were no further transactions between Siemens Energy and its key executives in fiscal years 2024 and 2023.

NOTE 28 Principal accountant fees and services

Fees in connection with professional services rendered by the Company's principal accountant, KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG"), for fiscal year 2024 which are to be disclosed in accordance with German Commercial Code were:

(in millions of €)	Fiscal year 2024
Audit services	9
Other attestation services	1
Other services	1
Total	**10**

Audit services primarily comprised services provided by KPMG for auditing Siemens Energy's Consolidated Financial Statements, for auditing financial statements of Siemens Energy AG and its German subsidiaries as well as for reviews of interim financial statements of German subsidiaries of the Siemens Energy Group integrated into the audit. Other attestation services primarily included attestation services related to the sustainability reporting, the compensation report, the Group non-financial statement, the EU-taxonomy and other attestation services required under regulatory requirements, contractually agreed or requested on a voluntary basis. Other services provided by the principal accountant are mainly advisory services related to the implementation of the CSRD (Corporate Sustainability Reporting Directive) reporting requirements.

NOTE 29 Corporate governance

The Executive and Supervisory Boards of Siemens Energy AG provided the declaration required by Section 161 German Stock Corporation Act (AktG) as of September 2023, and made it publicly available under the following link on the Siemens Energy website: **www.siemens-energy.com/german-corporate-governance-code**.

NOTE 30 Subsequent events

No material subsequent events occurred.

NOTE 31 List of subsidiaries and associated companies pursuant to Section 313 para. 2 German Commercial Code

Siemens Energy Global GmbH & Co. KG, Munich, Germany, and Siemens Energy Management GmbH, Munich, Germany, are exempt from the obligation to prepare, have audited, and publish annual financial statements and a management report in accordance with the provisions applicable to corporations pursuant to Section 264b German Commercial Code and Section 264 German Commercial Code, respectively. The Consolidated Financial Statements of Siemens Energy AG release Siemens Energy Global GmbH & Co. KG and Siemens Energy Management GmbH from the requirement that would otherwise apply.

September 30, 2024 Subsidiaries	Equity interest in %	
Germany (19 companies)		
Blitz 20-548 GmbH, Munich	100	[7]
Gamesa Wind GmbH, Hamburg	100	[7]
SGRE Real Estate GmbH & Co. KG, Hamburg	100	[6]
Siemens Energy Branch Business GmbH, Munich	100	[7]
Siemens Energy Compressors GmbH, Leipzig	100	[7]
Siemens Energy Dry Type Distribution Transformers GmbH & Co. KG, Kirchheim unter Teck	100	[4]
Siemens Energy Dry Type Distribution Transformers Verwaltungs-GmbH, Kirchheim unter Teck	100	[4]
Siemens Energy Electrolyzer Manufacturing GmbH, Berlin	75	
Siemens Energy Finance Surkhandarya Power Plant GmbH, Munich	100	
Siemens Energy Global GmbH & Co. KG, Munich	100	[6]
Siemens Energy Insulation Center GmbH, Zwönitz	100	[7]
Siemens Energy Management GmbH, Munich	100	[7]
Siemens Energy Power Control GmbH, Langen	100	[7]
Siemens Energy Power Project Holding GmbH, Stade	100	
Siemens Energy Real Estate GmbH, Munich	100	[7]
Siemens Gamesa Renewable Energy Deutschland GmbH, Bremerhaven	100	[7]
Siemens Gamesa Renewable Energy GmbH & Co. KG, Hamburg	100	[6]
Siemens Gamesa Renewable Energy Management GmbH, Hamburg	100	[4]
Siemens Gamesa Renewable Energy Service GmbH, Hamburg	100	[7]

September 30, 2024 Subsidiaries	Equity interest in %	
Europe (without Germany), Commonwealth of Independent States (C.I.S.), Middle East, Africa (172 companies)		
Siemens Energy Algeria EURL, Algiers/ Algeria	100	
Siemens Energy S.A., Luanda/ Angola	51	
Siemens Energy Austria GmbH, Vienna/ Austria	100	
Siemens Gamesa Renewable Energy GmbH, Vienna/ Austria	100	
Siemens Energy S.A./N.V., Beersel/ Belgium	100	
Siemens Gamesa Renewable Energy NV, Beersel/ Belgium	100	
Siemens Energy EOOD, Sofia/ Bulgaria	100	
Siemens Gamesa Renewable Energy EOOD, Sofia/ Bulgaria	100	
Siemens Energy SARL, Abidjan/ Côte d'Ivoire	100	
Koncar-Energetski Transformatori, d.o.o., Zagreb/ Croatia	51	
PRO INTEGRIS d.o.o., Split/ Croatia	100	
Siemens Energy d.o.o., Zagreb/ Croatia	100	
Siemens Gamesa Renewable Energy d.o.o., Zagreb/ Croatia	100	
Siemens Energy, s.r.o., Brno/ Czech Republic	100	
Siemens Energy A/S, Ballerup/ Denmark	100	
Siemens Gamesa Renewable Energy A/S, Brande/ Denmark	100	
Siemens Gamesa Renewable Energy Djibouti SARL, Djibouti/ Djibouti	100	
NIAT for Wind Energy, New Cairo/ Egypt	100	
Siemens Energy S.A.E., Cairo/ Egypt	90	

[1] Control due to rights to appoint, reassign or remove members of the key management personnel.
[2] Control due to contractual arrangements to determine the direction of the relevant activities.
[3] Significant influence due to contractual arrangements or legal circumstances.
[4] Not consolidated due to immateriality.
[5] Not accounted for using the equity method due to immateriality.
[6] Exemption pursuant to Section 264 b German Commercial Code.
[7] Exemption pursuant to Section 264 (3) German Commercial Code.
[8] Legal ownership 0%, whereas economic ownership has already been transferred from Siemens Group to Siemens Energy Group.
[9] No consolidation due to divergent voting rights and ownership interest.
[10] Significant influence as a result of contractual agreement as well as from Energy business conducted by Siemens Limited.
[11] Values according to the latest available local GAAP financial statements; the underlying fiscal year may differ from the Siemens Energy fiscal year.
[12] A consolidated affiliated company of Siemens Energy AG is a shareholder with unlimited liability of this company.

September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Gamesa Renewable Energy Egypt LLC, New Cairo/ Egypt	100	
Siemens Energy Oy, Espoo/ Finland	100	
Siemens Gamesa Renewable Energy Oy, Espoo/ Finland	100	
Siemens Energy Industrial Turbomachinery Le Havre SAS, Le Havre/ France	100	
Siemens Energy S.A.S., Courbevoie/ France	100	
Siemens Gamesa Renewable Energy France SAS, Saint-Priest/ France	100	
Siemens Gamesa Renewable Energy S.A.S., Courbevoie Cedex/ France	100	
Société d'Exploitation du Parc Eolien de Bonboillon SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Bouclans SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Champlong SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Champsevraine, SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Chepniers SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Dampierre Prudemanche SAS, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Guerfand SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de la Gartempe SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Mailly-le-Camp SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Maindoie SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Margny SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Messeix SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Orge et Ornain SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Pouilly-sur-Vingeanne SARL, Saint-Priest/ France	100	

September 30, 2024 Subsidiaries	Equity interest in %	
Société d'Exploitation du Parc Eolien de Saint Amand SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Saint-Lumier en Champagne SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Sceaux SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Trépot SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien de Vaudrey SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Eolien d'Omécourt SARL, Saint-Priest/ France	100	
Société d'Exploitation du Parc Photovoltaïque de Messeix SARL, Saint-Priest/ France	100	
Siemens Energy Limited, Accra/ Ghana	100	
Siemens Energy Oil & Gas Equipment Limited, Accra/ Ghana	90	
SIEMENS ENERGY SINGLE MEMBER SOCIETE ANONYME, Chalandri/ Greece	100	
Siemens Gamesa Renewable Energy Greece E.P.E., Filothei-Psychiko/ Greece	100	
Siemens Gamesa Renewable Energy MAE, Elliniko/ Greece	100	
Siemens Energy Distribution Transformers Kft., Budapest/ Hungary	100	[4]
Siemens Energy Kft., Budapest/ Hungary	100	
Siemens Gamesa Megújuló Energia Hungary Kft, Budapest/ Hungary	100	
Siemens Gamesa Renewable Energy Kft., Budapest/ Hungary	100	
Siemens Energy Iranian SSK, Teheran/ Iran	100	
Siemens Gamesa Energy Tajdidpazir SSK, Teheran/ Iran	100	
Siemens Energy Limited, Dublin/ Ireland	100	
Siemens Gamesa Renewable Energy Limited, Dublin/ Ireland	100	
Siemens Energy Ltd., Rosh Ha'ayin/ Israel	100	
Siemens Energy Projects Ltd., Rosh Ha'ayin/ Israel	100	[4]

[1] Control due to rights to appoint, reassign or remove members of the key management personnel.
[2] Control due to contractual arrangements to determine the direction of the relevant activities.
[3] Significant influence due to contractual arrangements or legal circumstances.
[4] Not consolidated due to immateriality.
[5] Not accounted for using the equity method due to immateriality.
[6] Exemption pursuant to Section 264 b German Commercial Code.
[7] Exemption pursuant to Section 264 (3) German Commercial Code.
[8] Legal ownership 0%, whereas economic ownership has already been transferred from Siemens Group to Siemens Energy Group.
[9] No consolidation due to divergent voting rights and ownership interest.
[10] Significant influence as a result of contractual agreement as well as from Energy business conducted by Siemens Limited.
[11] Values according to the latest available local GAAP financial statements; the underlying fiscal year may differ from the Siemens Energy fiscal year.
[12] A consolidated affiliated company of Siemens Energy AG is a shareholder with unlimited liability of this company.

September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Gamesa Renewable Energy Ltd, Tel Aviv/ Israel	100	
Siemens Energy S.r.l., Milan/ Italy	100	
Siemens Energy Transformers S.r.l., Trento/ Italy	100	
Siemens Gamesa Renewable Energy Wind S.R.L., Rome/ Italy	100	
Siemens Energy Limited Liability Partnership, Almaty/ Kazakhstan	100	
Siemens Gamesa Renewable Energy Limited, Nairobi/ Kenya	100	
Siemens Energy Kuwait For Power Services Company K.S.C.C, Kuwait City/ Kuwait	49	[1]
Siemens Energy Services for Repair and Maintenance of Light and Heavy Equipment WLL, Kuwait City/ Kuwait	100	
Siemens Gamesa Renewable Energy Limited Liability Company, Riga/ Latvia	100	
D-R Luxembourg International SARL, Luxembourg/ Luxembourg	100	
Siemens Energy Protected Cell A22, Mriehel/ Malta	—	[2]
Siemens Gamesa Renewable Energy, SARL, Nouakchott/ Mauritania	100	
Siemens Gamesa Renewable Energy, Ltd, Ebene/ Mauritius	100	
Siemens Energy SARL, Tangier/ Morocco	100	
Siemens Gamesa Renewable Energy Blades, SARL AU, Tangier/ Morocco	100	
Siemens Gamesa Renewable Energy Morocco SARL, Tangier/ Morocco	100	
Siemens Gamesa Renewable Energy SARL, Casablanca/ Morocco	100	
Dresser-Rand B.V., Spijkenisse/ Netherlands	100	
Siemens D-R Holding III B.V., The Hague/ Netherlands	100	
Siemens Energy Anwara B.V., Zoeterwoude/ Netherlands	100	
Siemens Energy B.V., Zoeterwoude/ Netherlands	100	
Siemens Energy Finance B.V., Zoeterwoude/ Netherlands	100	

September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Energy Holdco B.V., Zoeterwoude/ Netherlands	100	
Siemens Energy Holding B.V., Zoeterwoude/ Netherlands	100	
Siemens Gamesa Renewable Energy B.V., The Hague/ Netherlands	100	
Dresser-Rand (Nigeria) Limited, Lagos/ Nigeria	100	
Siemens Energy Ltd., Lagos/ Nigeria	100	
Siemens Energy AS, Oslo/ Norway	100	
Siemens Energy Turbomachinery AS, Kongsberg/ Norway	100	
SIEMENS GAMESA RENEWABLE ENERGY AS, Oslo/ Norway	100	
Siemens Energy L.L.C., Muscat/ Oman	51	
Siemens Gamesa Renewable Energy (Private) Limited, Karachi/ Pakistan	100	
Siemens Energy Sp. z o.o., Warsaw/ Poland	100	
Siemens Gamesa Renewable Energy Sp. z o.o., Warsaw/ Poland	100	
Siemens Energy Unipessoal Lda., Amadora/ Portugal	100	
Siemens Gamesa Renewable Energy Blades, S.A., Sosa/ Portugal	100	
Siemens Gamesa Renewable Energy, S.A., Oliveira de Frades/ Portugal	100	
Siemens Energy W.L.L, Doha/ Qatar	55	
SIEMENS ENERGY S.R.L., Bucharest/ Romania	100	
Siemens Energy Services S.R.L., Bucharest/ Romania	100	
Siemens Gamesa Renewable Energy Romania S.R.L., Bucharest/ Romania	100	
Dresser-Rand Arabia LLC, Al Khobar/ Saudi Arabia	50	[1]
Siemens Energy Ltd., Riyadh/ Saudi Arabia	51	
Siemens Energy Regional Head Quarters, Riyadh/ Saudi Arabia	100	
Siemens Energy d.o.o. Beograd, Belgrade/ Serbia	100	
Siemens Gamesa Renewable Energy d.o.o. Beograd - Novi Beograd, Belgrade/ Serbia	100	
Siemens Energy, s.r.o., Bratislava/ Slovakia	100	

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September 30, 2024 Subsidiaries	Equity interest in %	
SIEMENS Energy d.o.o., Ljubljana/ Slovenia	100	
Gamesa Wind South Africa (Proprietary) Limited, Cape Town/ South Africa	100	
Linacre Investments (Pty) Ltd., Kenilworth/ South Africa	—	[2]
S'Energy Employee Share Ownership Trust, Johannesburg/ South Africa	—	[2]
Siemens Energy (Pty) Ltd, Midrand/ South Africa	100	
SIEMENS GAMESA RENEWABLE ENERGY (PTY) LTD, Midrand/ South Africa	70	
The Siemens Gamesa Renewable Energy Employee Share Ownership Trust, Midrand/ South Africa	—	[2]
Adwen Offshore, S.L., Zamudio/ Spain	100	
Estructuras Metalicas Singulares, S.A. Unipersonal, Tajonar/ Spain	100	
Gamesa Electric, S.A. Unipersonal, Zamudio/ Spain	100	
Gamesa Energy Transmission, S.A. Unipersonal, Zamudio/ Spain	100	
Gerr Grupo Energético XXI, S.A. Unipersonal, Barcelona/ Spain	100	
International Wind Farm Developments II, S.L., Zamudio/ Spain	100	
International Wind Farm Developments IX, S.L., Zamudio/ Spain	100	
Parque Eolico Dos Picos, S.L.U., Zamudio/ Spain	100	
Siemens Energy S.A., Madrid/ Spain	100	
Siemens Gamesa Renewable Energy 9REN, S.L., Madrid/ Spain	100	
Siemens Gamesa Renewable Energy Apac, S.L., Sarriguren/ Spain	100	
Siemens Gamesa Renewable Energy Eolica, S.L.U., Valle de Egues/ Spain	100	
Siemens Gamesa Renewable Energy Europa S.L., Zamudio/ Spain	100	
Siemens Gamesa Renewable Energy Innovation & Technology, S.L., Sarriguren/ Spain	100	
Siemens Gamesa Renewable Energy International Wind Services, S.A., Zamudio/ Spain	100	

September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Gamesa Renewable Energy Invest, S.A., Zamudio/ Spain	100	
Siemens Gamesa Renewable Energy Latam, S.L., Sarriguren/ Spain	100	
Siemens Gamesa Renewable Energy S.A.U., Zamudio/ Spain	100	
Siemens Gamesa Renewable Energy Wind Farms, S.A., Zamudio/ Spain	100	
Sistemas Energéticos Argañoso, S.L. Unipersonal, Zamudio/ Spain	100	
Sistemas Energéticos Arinaga, S.A. Unipersonal, Las Palmas de Gran Canaria/ Spain	100	
Sistemas Energéticos Balazote, S.A. Unipersonal, Zamudio/ Spain	100	
Sistemas Energéticos Boyal, S.L.U., Zaragoza/ Spain	100	
Sistemas Energéticos Cabezo Negro, S.A. Unipersonal, Zaragoza/ Spain	100	
Sistemas Energéticos Cuerda Gitana, S.A. Unipersonal, Sevilla/ Spain	100	
Sistemas Energéticos Cuntis, S.A. Unipersonal, Santiago de Compostela/ Spain	100	
Sistemas Energéticos de Tarifa, S.L. Unipersonal, Zamudio/ Spain	100	
Sistemas Energéticos Fonseca, S.A. Unipersonal, Zamudio/ Spain	100	
Sistemas Energéticos La Cámara, S.L., Sevilla/ Spain	100	
Sistemas Energéticos La Plana, S.A., Zaragoza/ Spain	90	
Sistemas Energéticos Mansilla, S.L., Villarcayo de Merindad de Castilla la Vieja/ Spain	78	
Sistemas Energéticos Monte Genaro, S.L.U., Zamudio/ Spain	60	
Sistemas Energéticos Sierra de Las Estancias, S.A. Unipersonal, Sevilla/ Spain	100	
Sistemas Energéticos Sierra de Valdefuentes, S.L.U., Zamudio/ Spain	100	
Sistemas Energéticos Siroco, S.L., Zamudio/ Spain	100	
Sistemas Energéticos Venus, S.L., Zamudio/ Spain	100	
Fanbyn2 Vindenergi AB, Stockholm/ Sweden	100	
Siemens Energy AB, Finspång/ Sweden	100	

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September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Gamesa Renewable Energy AB, Stockholm/ Sweden	100	
SIEMENS GAMESA RENEWABLE ENERGY SWEDEN AB, Stockholm/ Sweden	100	
Dresser Rand Sales Company GmbH, Zurich/ Switzerland	100	
Siemens Energy AG, Zurich/ Switzerland	100	
Siemens Energy Schweiz Holding AG, Zug/ Switzerland	100	
Siemens Enerji Sanayi ve Ticaret Anonim Sirketi, Istanbul/ Türkiye	100	
SIEMENS GAMESA RENEWABLE ENERJI ANONIM SIRKETI, Kartal/ Istanbul/ Türkiye	100	
Dresser-Rand Turkmen Company, Ashgabat/ Turkmenistan	100	
Siemens Energy LLC, Kiev/ Ukraine	100	
Siemens Gamesa Renewable Energy LLC, Kiev/ Ukraine	100	
Dresser-Rand Field Operations Middle East LLC, Abu Dhabi/ United Arab Emirates	80	
Siemens Energy LLC, Abu Dhabi/ United Arab Emirates	49	[1]
Industrial Turbine Company (UK) Limited, Newcastle upon Tyne/ United Kingdom	100	
Materials Solutions Limited, Newcastle upon Tyne/ United Kingdom	100	
Siemens Energy Industrial Turbomachinery Ltd., Newcastle upon Tyne/ United Kingdom	100	
Siemens Energy Limited, Newcastle upon Tyne/ United Kingdom	100	
Siemens Gamesa Renewable Energy Limited, Kingston upon Hull/ United Kingdom	100	
Siemens Gamesa Renewable Energy Wind Limited, Kingston upon Hull/ United Kingdom	100	
Americas (57 companies)		
Artadi S.A., Buenos Aires/ Argentina	100	
Guascor Argentina, S.A., Buenos Aires/ Argentina	100	
Siemens Energy S.A., Buenos Aires/ Argentina	100	

September 30, 2024 Subsidiaries	Equity interest in %	
VA TECH International Argentina SA, Buenos Aires/ Argentina	100	
Siemens Energy S.A., Santa Cruz de la Sierra/ Bolivia	100	
Dresser-Rand do Brasil Ltda., Santa Bárbara D'Oeste/ Brazil	100	
Energy Assets do Brasil Ltda., Jundiai/ Brazil	100	
Jaguarí Energética, S.A., Jaguari/ Brazil	89	
Junergy Ltda., Jundiai/ Brazil	100	
Siemens Energy Brasil Ltda., Jundiai/ Brazil	100	
Siemens Energy Power and Industrial Applications Ltda., Rio de Janeiro/ Brazil	100	
Siemens Gamesa Energia Renovável Ltda., Camaçari/ Brazil	100	
Siemens Energy Canada Limited, Oakville/ Canada	100	
Siemens Energy Transformers Canada Inc., Trois-Rivières/ Canada	100	
Wheelabrator Air Pollution Control (Canada) Inc., Oakville/ Canada	100	
Siemens Energy SpA, Santiago de Chile/ Chile	100	
Siemens Gamesa Renewable Energy Chile SpA, Santiago de Chile/ Chile	100	
SIEMENS ENERGY DISTRIBUTION TRANSFORMERS S.A.S, Tenjo/ Colombia	100	
Siemens Energy S.A.S., Tenjo/ Colombia	100	
SIEMENS GAMESA RENEWABLE ENERGY S.A.S., Bogotá/ Colombia	100	
SIEMENS GAMESA RENEWABLE ENERGY, S.R.L., San José/ Costa Rica	100	
Siemens Energy S.R.L., Santo Domingo de Guzmán/ Dominican Republic	100	
SIEMENS GAMESA RENEWABLE ENERGY, S.A.S, Santo Domingo de Guzmán/ Dominican Republic	100	
SIEMENS GAMESA RENEWABLE ENERGY INSTALLATION & MAINTENANCE COMPAÑÍA LIMITADA, Guatemala/ Guatemala	100	
SIEMENS GAMESA RENEWABLE ENERGY, S.A., Tegucigalpa/ Honduras	100	
Central Eólica de México S.A. de C.V., Mexico City/ Mexico	100	

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September 30, 2024 Subsidiaries	Equity interest in %
Gesa Oax I Sociedad Anomima de Capital Variable, Mexico City/ Mexico	100
Gesa Oax II Sociedad de Responsabilidad Limitada de Capital Variable, Mexico City/ Mexico	100
Gesa Oax III Sociedad Anomima de Capital Variable, Mexico City/ Mexico	100
Gesacisa Desarolladora, S.A. de C.V., Mexico City/ Mexico	100
Gesan I S.A.P.I de C.V., Mexico City/ Mexico	100
Siemens Energy, S. de R.L. de C.V., Mexico City/ Mexico	100
Siemens Gesa Renewable Energy México, S. de R.L. de C.V., Mexico City/ Mexico	100
Siemens Gesa Renewable Energy, S.A. de C.V., Mexico City/ Mexico	100
Siemens Gamesa Renewable Energy, Sociedad Anónima, Managua/ Nicaragua	100
Siemens Energy S.A., Panama City/ Panama	100
Siemens Energy S.A.C., Lima/ Peru	100
Siemens Gamesa Renewable Energy S.A.C., Lima/ Peru	100
Siemens Energy Unlimited, Couva/ Trinidad and Tobago	100
Cedar Cap Wind, LLC, Dover, DE/ United States	100
Diversified Energy Transmission, LLC, Salem, OR/ United States	100
Dresser-Rand Global Services, Inc., Wilmington, DE/ United States	100
EcoHarmony West Wind, LLC, Minneapolis, MN/ United States	100
Pocahontas Prairie Holdings, LLC, Wilmington, DE/ United States	100
Pocahontas Prairie Wind, LLC, Dover, DE/ United States	100
Siemens Energy Demag Delaval Turbomachinery, Inc., Wilmington, DE/ United States	100
Siemens Energy Generation Services Company, Wilmington, DE/ United States	100
Siemens Energy Service Company, Ltd., Wilmington, DE/ United States	100

September 30, 2024 Subsidiaries	Equity interest in %
Siemens Energy Staffing, Inc., Wilmington, DE/ United States	100
Siemens Energy, Inc., Wilmington, DE/ United States	100
Siemens Gamesa Renewable Energy PA, LLC, Wilmington, DE/ United States	100
Siemens Gamesa Renewable Energy, Inc., Wilmington, DE/ United States	100
Wheelabrator Air Pollution Control Inc., Baltimore, MD/ United States	100
Wind Portfolio Memberco, LLC, Dover, DE/ United States	100
Siemens Energy S.A., Montevideo/ Uruguay	100
SIEMENS GAMESA RENEWABLE ENERGY S.R.L., Montevideo/ Uruguay	100
Siemens Energy S.A., Caracas/ Venezuela	100
Asia, Australia (52 companies)	
Siemens Energy Pty. Ltd., Bayswater/ Australia	100
Siemens Gamesa Renewable Energy Pty Ltd, Burnley/ Australia	100
Siemens Energy Bangladesh Ltd., Dhaka/ Bangladesh	100
Gamesa Blade (Tianjin) Co., Ltd., Tianjin/ China	100
Inner Mongolia Gamesa Wind Co., Ltd., Wulanchabu/ China	100
Jilin Gamesa Wind Co., Ltd., Da'an/ China	100
Siemens Energy (Shenzhen) Co. Ltd., Shenzhen/ China	100
Siemens Energy Automation (Nanjing) Co., Ltd., Nanjing/ China	100
Siemens Energy Co., Ltd., Shanghai Pilot Free Trade Zone/ China	100
Siemens Energy Electric Equipment (Changzhou) Ltd., Changzhou/ China	100
Siemens Energy Gas Turbine Components (Jiangsu) Co., Ltd., Yixing/ China	100
Siemens Energy High Voltage Circuit Breaker Co., Ltd. Hangzhou, Hangzhou/ China	51
Siemens Energy Industrial Turbomachinery (Huludao) Co. Ltd., Huludao/ China	84

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September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Energy Surge Arresters Ltd., Wuxi/ China	100	
Siemens Energy Transformer (Guangzhou) Co., Ltd., Guangzhou/ China	63	
Siemens Energy Transformer (Jinan) Co., Ltd, Jinan/ China	90	
Siemens Energy Transformer (Wuhan) Company Ltd, Wuhan/ China	100	
Siemens Gamesa Renewable Energy (Beijing) Co., Ltd., Beijing/ China	100	
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd., Shanghai/ China	100	
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd., Tianjin/ China	100	
Siemens High Voltage Switchgear Co., Ltd., Shanghai, Shanghai/ China	51	
Siemens Energy Limited, Hong Kong/ Hong Kong	100	
Jamkhandi Renewable Private Limited, Chennai/ India	100	
Powerplant Performance Improvement Ltd., New Delhi/ India	50	[2][8]
Rajgarh Windpark Private Limited, Chennai/ India	100	
RSR Power Private Limited, Chennai/ India	100	
SANTALPUR RENEWABLE POWER PRIVATE LIMITED, Gujarat/ India	99	
Siemens Energy Industrial Turbomachinery India Private Limited, Navi Mumbai/ India	100	
SIEMENS GAMESA RENEWABLE ENERGY PROJECTS PRIVATE LIMITED, Chennai/ India	100	
Siemens Gamesa Renewable Power Private Limited, Chennai/ India	100	
PT Dresser-Rand Services Indonesia, Cilegon/ Indonesia	100	
PT Siemens Energy Indonesia, Jakarta/ Indonesia	67	
PT Siemens Gamesa Renewable Energy, Jakarta/ Indonesia	100	
PT Siemens Industrial Power, Kota Bandung/ Indonesia	100	
Siemens Energy K.K., Tokyo/ Japan	100	
Siemens Gamesa Renewable Energy K.K., Tokyo/ Japan	100	

September 30, 2024 Subsidiaries	Equity interest in %	
Siemens Energy Ltd., Seoul/ Korea, Republic of	100	
Siemens Gamesa Renewable Energy Limited, Seoul/ Korea, Republic of	100	
Siemens Energy Sdn. Bhd., Petaling Jaya/ Malaysia	100	
SIEMENS GAMESA RENEWABLE ENERGY SARL, Nouméa/ New Caledonia	100	
Siemens Energy, Inc., Manila/ Philippines	100	
Siemens Gamesa Renewable Energy, Inc., Makati City/ Philippines	100	
PRO INTEGRIS Pte. LTD, Singapore/ Singapore	100	
Siemens Energy Pte. Ltd., Singapore/ Singapore	100	
Siemens Gamesa Renewable Energy Lanka (Private) Limited, Colombo/ Sri Lanka	100	
Siemens Energy Limited, Taipei/ Taiwan, Province of China	100	
Siemens Gamesa Renewable Energy Offshore Wind Limited, Taipei/ Taiwan, Province of China	100	
Siemens Energy Limited, Bangkok/ Thailand	99	
Siemens Gamesa Renewable Energy (Thailand) Co., Ltd., Bangkok/ Thailand	100	
Siemens Gamesa Renewable Energy Limited, Bangkok/ Thailand	100	
Siemens Energy Limited Company, Ho Chi Minh City/ Viet Nam	100	
Siemens Gamesa Renewable Energy LLC, Ho Chi Minh City/ Viet Nam	100	

September 30, 2024 Associated companies and joint ventures	Equity interest in %	
Germany (3 companies)		
Infineon Technologies Bipolar GmbH & Co. KG, Warstein	40	
Infineon Technologies Bipolar Verwaltungs-GmbH, Warstein	40	[5]
MakerVerse GmbH, Berlin	29	

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September 30, 2024 Associated companies and joint ventures	Equity interest in %	
Europe (without Germany), Commonwealth of Independent States (C.I.S.), Middle East, Africa (12 companies)		
COELME - Costruzioni Elettromeccaniche S.p.A., Santa Maria di Sala/ Italy	25	
EM&SE Syncons PS, Riga/ Latvia	83	[5][9]
Stone City Energy B.V., Rotterdam/ Netherlands	—	[3][5]
Wirescan AS, Trollaasen/ Norway	36	[5]
SIGLO XXI SOLAR, SOCIEDAD ANONIMA, Ciudad Real/ Spain	25	[5]
SISTEMAS ENERGETICOS DE TENERIFE, S.A., Santa Cruz de Tenerife/ Spain	20	[5]
Sistemes Electrics Espluga, S.A., Barcelona/ Spain	50	
Tusso Energía, S.L., Sevilla/ Spain	50	[5]
Ethos Energy Group Limited, Aberdeen/ United Kingdom	49	
RWG (Repair & Overhauls) Limited, Aberdeen/ United Kingdom	50	
Joint Venture Service Center, Chirchik/ Uzbekistan	49	[5]
SCE-Quvvat LLC, Tashkent/ Uzbekistan	25	
Americas (6 companies)		
Gas Natural Acu Infraestructura S.A, Rio de Janeiro/ Brazil	7	[3]
UTE GNA II Geração de Energia S.A., Rio de Janeiro/ Brazil	33	
Energia Eólica de Mexico S.A. de C.V., Mexico City/ Mexico	50	
Baja Wind US LLC, Wilmington, DE/ United States	50	[5]
First State Marine Wind, LLC, Newark, DE/ United States	31	[5]
Trumbull Development Partners, LLC, Wilmington, DE/ United States	27	
Asia, Australia (6 companies)		
United Chattogram Power Limited, Dhaka/ Bangladesh	20	[5]
Beijing Jingneng International Energy Technology Co., Ltd., Beijing/ China	45	
Shanghai Electric Power Generation Equipment Co., Ltd., Shanghai/ China	40	
Siemens Limited, Mumbai/ India	6	[10]
PT Trafoindo Power Indonesia, Jakarta/ Indonesia	49	
Advance Gas Turbine Solutions SDN. BHD., Kuala Lumpur/ Malaysia	43	

September 30, 2024 Other investments [11]	Equity interest in %		Net income in millions of €	Equity in millions of €
Europe (without Germany), Commonwealth of Independent States (C.I.S.), Middle East, Africa (1 company)				
Uhre Vindmollelaug I/S, Brande/ Denmark	19	[12]	—	1

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4.1 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 assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report, which has been combined with the Management Report for Siemens Energy 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, December 4, 2024

Siemens Energy AG

The Executive Board

Christian Bruch

Maria Ferraro

Karim Ahmed Amin Aly Khalil

Tim Holt

Anne-Laure Parrical de Chammard

Vinod Philip

For the Consolidated Financial Statements and Group Management Report we have issued an unqualified auditor's report. The English language text below is a translation of the auditor's report. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

4.2 Independent Auditor's Report

To Siemens Energy AG, Munich

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

Opinions

We have audited the consolidated financial statements of Siemens Energy, Munich, and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of September 30, 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial year from October 1, 2023, to September 30, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of Siemens Energy AG and the Group (hereinafter "combined management report") for the financial year from October 1, 2023, to September 30, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's 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 Section 315e (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 of September 30, 2024, and of its financial performance for the financial year from October 1, 2023, to September 30, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) 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 combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). 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 Combined 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)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined 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 opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of goodwill

Please refer to note 2 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of goodwill can be found under note 9 and information on the economic development of the business areas is presented in Section 2.3 of the combined management report.

THE FINANCIAL STATEMENT RISK

Goodwill amounted to EUR 9,461 million as of September 30, 2024, and accounted for a substantial share of assets at 19% of total assets.

Goodwill is tested annually for impairment without a specific cause as of September 30 on the level of the cash-generating unit, which is generally represented by an operating segment. If any indications of impairment arise during the financial year, an ad hoc goodwill impairment test is also carried out during the year. For impairment testing, the carrying amount is compared to the recoverable amount of the respective cash-generating unit. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher amount of fair value less costs to sell and value in use of the respective cash-generating unit. Siemens Energy determines the recoverable amount of the respective cash-generating unit to which goodwill was allocated according to value in use.

Impairment testing of goodwill is complex and based on a number of assumptions requiring judgment. These include, among other elements, the assumptions in the adopted business planning for a period of generally five years (such as the expected business and earnings performance of the cash-generating unit), the assumed long-term growth rates and the discount rates used.

As a result of the impairment test performed, the Company did not identify any impairment. There is the risk for the consolidated financial statements that an existing need to recognize impairment losses is not identified. There is also the risk that the related disclosures in the notes are not appropriate.

OUR AUDIT APPROACH

With the involvement of our valuation experts, we also assessed the appropriateness of the Company's key assumptions and valuation method. To this end, we discussed the expected development of business and earnings as well as the assumed long-term growth rates with those responsible for planning. We also reconciled this information with the budget prepared by the Executive Board and approved by the Supervisory Board. In addition, we evaluated the consistency of assumptions with external market assessments.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of prior financial years with the actual results and by analyzing deviations. We compared the assumptions and data underlying the discount rates, in particular the risk-free rate, the market risk premium and the beta factor, to our own assumptions and publicly available data.

To assess the methodically and mathematically correct implementation of the valuation method, we verified the Company's valuation using our own calculations and analyzed deviations.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount by calculating alternative scenarios and comparing these with the values stated by the Company (sensitivity analysis). In this regard, we also evaluated the sensitivity analysis of the Company.

In addition, in order to verify planning quality, we critically reviewed the Company's reasoning for the total recoverable amounts exceeding the market value of the Company.

Finally, we assessed whether the disclosures in the notes regarding impairment of goodwill are appropriate.

OUR OBSERVATIONS

The calculation method used for impairment testing of goodwill is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for measurement are appropriate.

The related disclosures in the notes are appropriate.

Recognition of revenue from construction and services as well as accounting for the provisions for onerous losses and risks in this regard

Please refer to Note 2 of the notes to the consolidated financial statements for information on the recognition and measurement policies applied. Information on sales revenue in the construction business and from providing services as well as related contract assets and contract liabilities can be found in Note 7 of the notes to the consolidated financial statements. Information on the amount of sales revenue is in Note 25 of the notes to the consolidated financial statements. Information on the amount of order-related provisions for onerous contracts and risks is in Note 14 of the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

The Group's revenue totaled EUR 34,465 million in financial year 2024. A significant portion of revenue is attributable to agreements in conjunction with construction and services. Contract assets amounted to EUR 4,190 million and contract liabilities to EUR 18,867 million as of September 30 2024. The provisions for order-related onerous contracts and risks amounted to EUR 1,411 million as of September 30, 2024.

Revenue from construction and services is recognized over time according to the stage of completion. The stage of completion is determined as the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs (input method). The expected loss from a customer contract should the estimated total contract costs exceed the planned total proceeds is immediately recognized in profit or loss in full as an order-related provision for onerous contracts and risks.

Determining the revenue that can be recognized is complex and requires estimates, especially with regard to the total contract cost for determining the stage of completion. There is a risk for the consolidated financial statements that the stage of completion is incorrectly assessed (including the possible risk of managers circumventing controls) and, as a result, both revenue and earnings from these services are allocated to the incorrect financial year and order-related provisions for onerous contracts and risks are not recognized on time or in the incorrect amount.

OUR AUDIT APPROACH

Based on our understanding of the process, we assessed the design and implementation of selected internal controls, especially regarding the estimate and event-driven review of the total contract costs.

Using contracts selected specifically on a risk basis, we analyzed contracts and assessed whether the criteria applied for recognizing revenue over time were met. For selected contracts we consulted with the respective project owners regarding their estimate of the entire contract costs, existing risks and unexpected cost patterns and potential contract penalties. In doing so, we assessed the assumptions used to estimate total contract costs and, among other procedures, validated the planned cost positions against internal cost calculations and external proof. In addition, for contracts selected on a risk basis, we analyzed and verified the changes in order to estimate the total contract costs. We compared the planned total proceeds with the relevant contract documentation. Moreover, for a representative sample we reconciled the respective actual cost allocated to the contract with internal cost schedules and external documents. Furthermore, we reconciled the payment requests vis-à-vis customers with invoices and incoming payments for a representative sample and used this as the basis for arithmetically verifying the contract assets and contract liabilities.

On the basis of the knowledge previously obtained, we assessed the appropriateness of the determination of the respective stage of completion and any anticipated losses, as well as the accounting within the statement of financial position and statement of income.

Additionally, we examined the accuracy of the Company's previous forecasts by comparing the estimates for the entire contract costs of projects still in progress as of the reporting date and analyzed any deviations.

OUR OBSERVATIONS

Siemens Energy AG's approach to recognizing revenue over time according to stage of completion and for determining the provisions for order-related onerous contracts and risks is appropriate. The assumptions underlying the accounting treatment are appropriate.

Recognition and measurement of provisions related to quality issues with regard to the 4.X and 5.X onshore turbines in the Siemens Gamesa business area

Please refer to Note 2 in the notes to the consolidated financial statements for information on the recognition and measurement policies as well as on the assumptions made. Disclosures on the amount of provisions for warranties and order-related provisions for onerous contracts and risks in conjunction with quality issues at Siemens Gamesa can be found in Note 14 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

The Siemens Gamesa business area incurred considerable cost increases in the prior year in conjunction with quality issues in the onshore business with wind turbines. As of September 30, 2024, the provisions for warranties amounted to EUR 2,636 million and the order-related provisions for onerous contracts and risks in connection with the quality issued amounted to EUR 1,200 million.

The cost estimates relating to quality issues with the 4.X and 5.X onshore turbines and the related recognition and measurement of provisions for warranties and order-related provisions for onerous contracts and risks are complex and heavily dependent on the estimates and assumptions of the Company's Executive Board, particularly with regard to the total estimated project and warranty costs.

Assumptions requiring judgment include, in particular, the expected failure rates of individual components of the 4.X and 5.X onshore turbines, the estimated number of wind turbines affected and the expected costs per failure.

There is the risk for the consolidated financial statements that the costs expected in conjunction with the quality issues concerning the 4.X and 5.X onshore turbines are not fully estimated or estimated in an inaccurate amount and, thus, the provisions for warranties and order-related provisions for onerous contracts and risks are improperly stated. There is also the risk that the related disclosures in the notes are not appropriate.

OUR AUDIT APPROACH

Based on our understanding of the process, we assessed the design and implementation of selected internal controls, especially regarding the estimate and review of the failure rates of individual components of the 4.X and 5.X onshore turbines, and assessed how individual parts of the future costs in connection with the quality issues were determined.

With the involvement of our valuation and IT specialists, we assessed the annually reviewed calculation of the costs expected for the 4.X and 5.X platforms, which includes the appropriateness of the key assumptions and data as well as the calculation method and the underlying statistical models. To do so, we assessed the Company's review of selected failure rates and confirmed the accuracy of the previous forecasts by comparing failure rates expected for the year under review with the actual failure rates and by analyzing deviations. Furthermore, we verified the specific costs expected per failure on a sample basis and assessed key assumptions.

In addition, we examined the accuracy of the Company's forecasts by comparing the actual costs incurred in the prior year with those expected in the financial year and analyzed any deviations.

To assess the methodologically and mathematically correct implementation of the expected costs, we verified the Company's valuation using our own calculations on a sample basis and analyzed any deviations.

We verified the amount of the provisions recognized for warranties using a representative sample for the 4.X and 5.X platforms and assessed these with the help of internal technical reports. Based on the knowledge obtained on the planned total proceeds and total contract costs, including the expected costs in conjunction with the quality issues, we verified the appropriateness of the calculation of anticipated losses and the amount of order-related provisions for onerous contracts and risks.

In order to audit the completeness of the provisions for warranties and order-related provisions for onerous losses and risks, we inspected the minutes of the Siemens Gamesa Special Committee of Siemens Energy AG's Supervisory Board and the documents underlying the respective meeting and inquired the Executive Board and Company's staff responsible for calculating the expected costs.

Moreover, we assessed the disclosures in the notes to the consolidated financial statements on the quality issues at Siemens Gamesa.

OUR OBSERVATIONS

The approach for determining the provisions for warranties and provisions for onerous contracts and risks is appropriate. The assumptions and data used to measure the provisions for warranties and provisions for onerous contracts and risks are appropriate overall. The related disclosures in the notes are appropriate.

Other Information

The Executive Board and the Supervisory Board, respectively, are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Group non-financial statement contained in Section 2.10 of the combined management report,
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and
- information extraneous to management reports included in Section 2.8.1 "Key features of the accounting-related internal control and risk management system and statement on the appropriateness and effectiveness of these systems" of the combined management report.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

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

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

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Executive Board is responsible for the preparation of 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 Section 315e (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 Executive Board is 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 Executive 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 Executive Board is responsible for the preparation of the combined 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 Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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 combined 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 combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive 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 combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined 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 Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive 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 opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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 Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „SiemensEnergyAGKA-2024-09-30-de.zip" (SHA256-Hashwert: 149ceba1df9339f7e39fe24ca4c548d6e67bde319a6bc00e53c73daac1934a7b) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

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

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (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 Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's Executive Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Executive Board is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

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

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, 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 the audited combined 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 Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, 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 at the annual general meeting on February 26, 2024. We were engaged by the Supervisory Board on February 26, 2024. We have been the group auditor of Siemens Energy AG without interruption since financial year 2024.

We declare that the 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).

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 combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German company register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Stephanie Dietz.

Munich, December 4, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Dr. Dietz	Schmitt
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

4.3 Independent auditor's report on a limited assurance engagement[1]

To the Supervisory Board of Siemens Energy AG, Munich

We have performed a limited assurance engagement on the Group non-financial statement of Siemens Energy AG, Munich (hereinafter the "Group") included in section 2.10 "Group non-financial statement" of the combined management report as well as on the sections of the combined management report "Business model", "Research and development" and "Report on the internal control and risk management system and material risks and opportunities" (except section 2.8.1 "Key features of the internal control and risk management system and statement on the appropriateness and effectiveness of these systems") qualifying as part of this statement for the period from October 1, 2023 to September 30, 2024 (hereinafter the "Group non-financial statement").

References to internet pages are not subject to this assurance engagement.

Responsibilities of Management

The legal representatives of Siemens Energy AG are responsible for the preparation of the Group non-financial statement in accordance with Sections 315c in conjunction with 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted thereunder as set out in section "EU Taxonomy" of the Group non-financial statement.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal control as they consider necessary to enable the preparation of a Group non-financial statement that is free from material misstatement, whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the legal representatives have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU Taxonomy" of the consolidated non-financial statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Group non-financial statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB as limited assurance engagement. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the company's Group non-financial statement, are not prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the legal representatives disclosed in section "EU Taxonomy" of the Group non-financial statement.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of personnel responsible at group level for the materiality analysis to gain an understanding of the procedure for identifying material topics and corresponding reporting thresholds of the company
- A risk analysis, including media research, on relevant information about Siemens Energy's sustainability performance in the reporting period

[1] Our engagement applied to the German version of the Group non-financial statement. This text is a translation of the Independent Assurance Report issued in the German language, whereas the German text is authoritative.

- Reviewing the suitability of internally developed reporting criteria
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring disclosures relating to environmental matters, employee matters, respect for human rights and combating corruption and bribery, including the consolidation of the data
- Inquiries of personnel at group level responsible for determining disclosures on concepts, due-diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures
- Evaluation of selected internal and external documentation
- An analytical review of the data and trend explanations of quantitative information submitted by all sites for consolidation at group level
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on samples at the sites in Jundiaí (Brasil), Aalborg (Denmark) and Finspång (Sweden)
- Inquiries of group level personnel in order to understand the processes for identifying relevant economic activities according to the EU Taxonomy Regulation
- Evaluation of the process for the identification of taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group non-financial statement
- Assessment of the overall presentation of the disclosures

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the legal representatives are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Group non-financial statement of Siemens Energy AG, Munich for the period from October 1, 2023 to September 30, 2024 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the legal representatives as disclosed in section "EU Taxonomy" of the consolidated non-financial statement.

We do not express an assurance opinion on references to internet pages.

Restriction of Use

This assurance report is solely addressed to Siemens Energy AG, Munich.

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Munich, December 4, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Geier	Vogl
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

4.4 Report of the Supervisory Board

Munich, December 11, 2024

Dear Shareholders,

In its fourth year of independence, Siemens Energy experienced another turbulent fiscal year. Whereas the businesses of Gas Services, Grid Technologies and Transformation of Industries posted very good growth and in some areas industry-leading margins, as they had done in the prior year, it was critical for the Wind Power business Siemens Gamesa to halt its decline and achieve the turnaround.

The success is crucial for the long-term development of the entire Company and the wind industry in the western world. Some successes have already been achieved. The Wind Power business Siemens Gamesa is integrated as a fourth business area under the leadership of Vinod Philip, who represents the next management generation. At the same time, a multi-year restructuring plan has been initiated. We expect to achieve the break-even in 2026 and then return this business to profitable growth as well. The target is a double-digit operating margin. In light of the stabilization of the wind business, the Supervisory Board dissolved the Special Committee Siemens Gamesa in November 2024 and transitioned to a monitoring structure. The committee proved very successful in dealing with the massive challenges faced by the wind business.

The performance of the company's other segments was very gratifying, and they significantly exceeded their annual targets. We closed the fiscal year with a record order backlog of €123 billion. Gas Services, Grid Technologies and some segments of Transformation of Industries are profiting significantly from their attractive service portfolios.

This positive development is also reflected in the share price, which increased by a factor of four in the past fiscal year. Regaining the trust of the capital market is also a testament to the remarkable accomplishment of CEO Dr. Christian Bruch and his team in these turbulent times. It is logical that the Supervisory Board has already extended Dr. Christian Bruch's contract by a further five years until April 2030.

One challenge for the entire company has been the conditions of the counter-guarantee granted by the German government at the end of 2023. This was necessary in order to meet the record demand for technologies from Siemens Energy for the energy transition and to be able to protect and grow jobs in Germany. The conditions inappropriately derived from state aid procedures and the consequences of the counter-guarantee were the subject of critical discussion by the Supervisory Board, especially in respect of the associated challenges of safeguarding the company's future and the competitive disadvantages to the company in the global competition.

Due to the conditions set by the German government, Siemens Energy is currently not only prevented from paying a dividend to its shareholders but also from granting to the members of the Executive Board any variable components of market-oriented compensation. As a result, at least 70% of the income in the fiscal year 2024 fell away for the period during which the counter-guarantee is used. This could have led to members of the Executive Board resigning prematurely – with all the consequences this would have had for the company. Therefore, it was crucial for the Supervisory Board to ensure stability of the Executive Board and to create the conditions for achieving the turnaround to profitable growth. The Remuneration Committee newly established in March 2024 intensively discussed the necessary amendments and consequences for the compensation model for Executive Board members.

We are pleased to have found a fair and shareholder-oriented solution that conforms with the conditions. We are convinced that ensuring the continuity of the Executive Board and the path that has been adopted represent the best way of achieving profitable growth across the company in what remains a difficult geopolitical environment.

The energy sector still offers enormous potential for growth and value creation. A stable, environmentally compatible and affordable energy supply is the basis for a prosperous economy. Worldwide, there is a growing focus on renewable energy – strengthened by economic reasons. All segments of Siemens Energy are profiting from this. Developments in digitalization, microelectronics and, especially, artificial intelligence (AI) are the basis for significantly higher growth potential and signal a new stage in the electrification era. According to estimates by the International Energy Agency, AI alone will use as much electricity in 2026 as the whole of Japan – that is six percent of global energy consumption. Siemens Energy will benefit economically from this trend and is reviewing its medium- and long-term planning accordingly. The Supervisory Board will continue to address these revolutionary developments and, in the future, will strengthen its expertise in the areas of governance, transformation, digitalization and artificial intelligence.

On behalf of the Supervisory Board, I would like to thank the Executive Board and the almost 100,000 employees of Siemens Energy for their outstanding commitment and the results achieved in the past fiscal year. Thanks also go to our shareholders, customers and partners worldwide. The age of electrification has only just begun – the task for Siemens Energy is to exploit these enormous opportunities.

For the Supervisory Board

Joe Kaeser

Chairman

Monitoring and advisory activities of the Supervisory Board

In the reporting period, the Supervisory Board of Siemens Energy AG performed in full the duties incumbent upon it in accordance with the law, the articles of association and the bylaws. In doing so, the Supervisory Board continually advised and monitored the Executive Board in managing the Company, providing advice and assistance especially on issues of strategic importance for the continuing development of the Company. This was based above all on the detailed oral and written reports presented by the Executive Board at meetings of the Supervisory Board and its Committees and on the written reports – especially relating to key financial data – submitted to the Supervisory Board between meetings. The Executive Board provided the Supervisory Board with ongoing information about the significant business developments seen by the Company and its business areas, the course of business, the situation of the Company, the key financial data, the planned business policy and corporate planning. It also reported regularly about the macroeconomic situation, the Company's profitability and liquidity situation, the revenue and order position, trends in sales and procurement markets, developments on the capital markets and share price performance. On an ongoing basis, the Executive Board reported on the risk exposure, the audit activities conducted by Internal Audit, compliance issues and the latest developments in significant legal disputes. Regular features of reporting included the economic and political environment and the status of occupational safety at the Company.

In this fiscal year again, the operational situation of our Wind Power business Siemens Gamesa (SG) and the future strategic alignment of the wind business remained a focus of the Supervisory Board's work. The Supervisory Board dealt intensively with the causes of the quality issues and ramp-up challenges in the wind turbine business. On more than one occasion, the Supervisory Board discussed the guarantee agreements with the Federal Government, the banks and Siemens AG, as well as further measures aimed at strengthening the Company's balance sheet. One focus of intensive discussion was the change to the compensation model for Executive Board members prepared by the Remuneration Committee. In the frame of numerous meetings, also involving external legal experts and compensation consultants, it was particularly discussed how, under the conditions imposed by the Federal Government, the further co-operation of the Executive Board and thus the continuation of the company can be secured. Furthermore, deep dives took place at almost all meetings, providing the opportunity to discuss the various Siemens Energy business areas, the regions of significance to the Company and the support functions that play a central role for the organization.

The Supervisory Board and its Committees were involved in all decisions of fundamental importance at an early stage. In that regard, the establishment of a special committee for addressing the quality topics at SG proved particularly valuable. To the extent that Supervisory Board approval of decisions and measures of Company management was required by law, the articles of association or the bylaws, the members of the Supervisory Board or of the responsible Committee issued such approval after intense review and discussion. The meetings of the Supervisory Board and its Committees were characterized by an open and constructive exchange of views between the members of the Supervisory Board and also between the Supervisory Board and the Executive Board. The Supervisory Board critically reviewed the reports and proposed resolutions of the Executive Board, ensuring in this process the lawfulness, expediency and compliance of the Company's management.

The Chairman of the Supervisory Board and the Chair of the Audit Committee were in regular contact with the Executive Board outside the Supervisory Board meetings. The Chairman of the Executive Board provided information on events that are significant to the Company without delay, regardless of the schedule of meetings. The Supervisory Board also met regularly without the Executive Board in attendance. At such meetings, it discussed in particular matters concerning the Executive Board itself or internal Supervisory Board matters. Prior to the ordinary meetings of the Supervisory Board, separate preparatory meetings were held with both the shareholder and employee representatives.

In addition, the Chairman of the Supervisory Board held virtual and face-to-face meetings with institutional investors and proxy advisors in order to discuss current governance and sustainability issues of the Company. These discussions focused on the challenging situation at SG, the counter-guarantee provided by the German government, the Supervisory Board elections and the resolutions on capital measures adopted by the Shareholders' Meeting. The Chairman of the Supervisory Board presented a summary of his discussions with investors and their representatives to the plenary meetings of the Supervisory Board.

The topics discussed by the full Supervisory Board

The Supervisory Board held nine meetings during the reporting period. In addition, two Supervisory Board resolutions were adopted via the Electronic Boardroom.

The meeting on October 30, 2023, discussed the negative effects at SG, the status of annual planning, the structure of the guarantee agreements with the German government, partner banks and Siemens AG, and various measures to strengthen the balance sheet.

At the meeting on November 14, 2023, the key financial data for the fourth quarter and for fiscal year 2023 were discussed, the budget for 2024 was approved and the mid-term planning was addressed. The lowering of share price targets by analysts and the reduction in the share price on the day after the ad-hoc release on October 26, 2023, were discussed. Based on the Executive Board's proposal and particularly with a view to seize growth opportunities in the market, the Supervisory Board approved the security for bank guarantees from the German government and the sale of a stake in Siemens Limited in India to Siemens AG, as well as the put option in relation to a further stake in this company. The Executive Board explained the situation at SG, provided an outlook for the Capital Market Day on November 21, 2023, and presented the implementation status of the corporate structure introduced on October 1, 2022. The Sustainability Report was discussed on the basis of the report from the Sustainability and Finance Committee. In line with the recommendation from the Presiding Committee based on the target achievement determined for the key performance criteria, the Supervisory Board defined the compensation for the Executive Board members for fiscal year 2023 and adopted a resolution on their fringe benefits.

On December 5, 2023, the Supervisory Board discussed the financial statements and the Combined Management Report for Siemens Energy AG and the Group effective September 30, 2023, including the non-financial statement for the Group, the 2023 Annual Report, including the Report of the Supervisory Board, the Corporate Governance Statement and the Compensation Report, and the agenda for the Shareholder's Meeting on February 26, 2024. Based on the recommendations made by the Nomination Committee, proposals were discussed for the election at the

Shareholders' Meeting 2024 of two new Supervisory Board members to replace Prof. Dr. Ralf Thomas and Randy Zwirn as shareholder representatives. The Supervisory Board also discussed the Company's innovation strategy and the Annual Report from the Group Compliance Officer. Moreover, it dealt with the counter-guarantee provided by the German government and its potential effects on Executive Board compensation. In addition, a resolution was adopted on the exercise of participation rights in a subsidiary of Siemens Energy AG pursuant to Section 32 German Codetermination Act ("Mitbestimmungsgesetz").

At the Supervisory Board meeting on February 6, 2024, the Executive Board reported on the current course of business and the financial position at the end of the first quarter and explained the ad-hoc release published on January 23, 2024. The Executive Board provided a detailed report about the current situation and the planned organization of SG. It also delivered an outlook for the forthcoming Shareholders' Meeting and an update on the implementation status of the new corporate structure. A resolution was adopted on the new Business Allocation Plan for the Executive Board.

The Ordinary Shareholders' Meeting of Siemens Energy AG on February 26, 2024, was attended in person at the venue in Munich by 15 members of the Supervisory Board, while five members of the Supervisory Board participated virtually. Due to the (re)election of ten employee representatives and two Supervisory Board members to represent the shareholders effective from the end of the Shareholders' Meeting, a constituent meeting of the Supervisory Board took place immediately after the Shareholders' Meeting. At this constituent meeting, the Supervisory Board confirmed Robert Kensbock as the Deputy Chairman of the Supervisory Board. The Supervisory Board established a Remuneration Committee and elected the special independent director Dr. Hubert Lienhard as its chairman. Since March 1, 2024, the Remuneration Committee has been responsible for preparing the resolution by the full Supervisory Board on the Executive Board compensation system , the compensation for the members of the Supervisory Board, the annual Compensation Report, the definition of the targets and total compensation for the individual Executive Board members. Also at the meeting, the Supervisory Board conducted elections to fill the positions on the various Committees and adopted a resolution on the exercise of participation rights pursuant to Section 32 German Codetermination Act.

At the meeting on May 7, 2024, the Executive Board reported on the current course of business and the financial position at the end of the second quarter and presented the strategy and multi-year planning for SG. The Supervisory Board discussed an investigation in connection with the quality issues at SG. On the basis of proposals made by the Presiding Committee and the Remuneration Committee, the Supervisory Board concerned itself in detail with personnel matters, the amendment of Executive Board compensation and the Executive Board compensation system. On the recommendation of the Presiding Committee, the mandate of Karim Amin as an ordinary member of the Executive Board was extended with effect from March 1, 2025, until the end of February 28, 2030. Other matters dealt with at the meeting were the review of the Shareholders' Meeting and the resolution on the appointment of the auditor of the Compensation Report for 2024.

In the circulation procedure via the Electronic Boardroom initiated on May 17, 2024, a resolution on a personnel matter of the Executive Board was adopted on the recommendation of the Presiding Committee.

In the circulation procedure via the Electronic Boardroom initiated on July 12, 2024, resolutions on the amendment of the Executive Board compensation and the Executive Board compensation system, on updating the Declaration of Conformity with the German Corporate Governance Code, on personnel matters and on the allocation of business responsibilities within the Executive Board were adopted on the recommendation of the Presiding Committee and the Remuneration Committee. In particular, the new Executive Board portfolio "Wind Power" was established, of which Mr. Philip was appointed responsible Executive Board member. The responsibility for the Executive Board portfolio "Global Functions" was transferred to Dr. Bruch. On the basis of a proposal from the Presiding Committee, it was also decided to extend the mandates of Anne-Laure de Chammard and Vinod Philip until the end of July 31, 2029.

At the meeting on August 6, 2024, the Executive Board reported on the current course of business and the financial position at the end of the third quarter and on the status of the integration and current situation of SG. It discussed the Annual Report by the Head of Cybersecurity, the report by the Head of M&A and the investigation in connection with the quality issues at SG. Lastly, the Supervisory Board discussed the results of the self-assessment of the Supervisory Board and its Committees conducted in July.

The Supervisory Board meetings on September 24 and 25, 2024, were held in Charlotte, USA. During a tour, the Supervisory Board was given insights into the production and manufacturing methods at the site's generator and turbine plant. Both meetings were dedicated to discussing strategic matters. At the meeting on September 24, 2024, the Supervisory Board addressed the situation and goals of SG in particular. The meeting on September 25, 2024, focused on an in-depth discussion of the Company's overall strategy and innovation strategy. On the recommendation of the Presiding Committee, Dr. Christian Bruch was already reappointed with effect from May 1, 2025, for a further five years as a member of the Executive Board and Chief Executive Officer of Siemens Energy AG. The resolutions were adopted concerning corporate governance matters, especially the annual Declaration of Conformity with the German Corporate Governance Code, amendments to the Bylaws for the Executive Board and the Supervisory Board, and an amendment of the targets for the composition of the Supervisory Board. In addition, the Supervisory Board resolved to dissolve the Special Committee Siemens Gamesa with effect from 7 November 2024 in view of the progress made in resolving the quality issues in the wind turbine business and to task the two Deputy Chairmen of the Supervisory Board with continuing to monitor the technical difficulties at SG.

Work in the Supervisory Board Committees

In the year under review, the Supervisory Board had seven Committees: the Presiding Committee, the Audit Committee, the Sustainability and Finance Committee, the Remuneration Committee (since March 1, 2024), the Nomination Committee, the Special Committee Siemens Gamesa and the Mediation Committee that must be established pursuant to Section 27 (3) German Codetermination Act. The resolution to establish the Remuneration Committee was adopted at the meeting of the Supervisory Board on February 26, 2024.

The Committees prepare resolutions and matters for discussion at the plenary meetings of the Supervisory Board. To the extent permitted by law, the Supervisory Board has transferred certain decision-making powers to its Committees. The Chairs of the Committees regularly provide comprehensive reports to the Supervisory Board on the work in the Committees. The tasks and members of the Committees are set out in detail in chapter **4.5 Corporate Governance Statement pursuant to Sections 289f and 315d German Commercial Code**.

The **Presiding Committee** convened 13 times in the past fiscal year. During the year under review, two resolutions were adopted via the Electronic Boardroom. Between meetings, the Chairman of the Supervisory Board discussed issues of special significance with the Presiding Committee members. The Presiding Committee received regular information from the Chief Executive Officer about current issues concerning the Company. The Presiding Committee concerned itself in detail with the reappointment of the current Executive Board members, personnel matters and succession planning for the Executive Board. It consulted the Chairman of the Executive Board on the matter of succession planning in particular. The Presiding Committee prepared the Supervisory Board resolution concerning the determination of target attainment and the definition of Executive Board compensation for fiscal year 2023; prior to the establishment of the Remuneration Committee on March 1, 2024, it discussed the design of Executive Board compensation, taking account of the requirements in connection with the counter-guarantee provided by the German government. In addition, the Presiding Committee dealt with corporate governance issues, the preparation of the corporate governance report in the Corporate Governance Statement and the Report of the Supervisory Board, filling the positions on the various Supervisory Board Committees, the allocation of business responsibilities within the Executive Board and the preparation of the self-assessment of the Supervisory Board. The Presiding Committee was informed of, or approved, matters relating to key personnel within the specified legal framework.

The **Audit Committee** held five regular meetings in the reporting period. Depending on the agenda item concerned, the heads of corporate departments attended and made themselves available for questions from the members of the Audit Committee. In the presence of the independent auditor as well as the Chief Executive Officer and Chief Financial Officer, the Committee dealt with the financial statements and the Combined Management Report for Siemens Energy AG and the Group, including the non-financial statement and the reporting in accordance with Regulation (EU) No. 2019/2088 (EU Taxonomy Regulation). The Audit Committee also discussed the Half-year Financial Report and the quarterly statements with the Executive Board and the auditor. It furthermore discussed, in the presence of the auditor, the report on the review of the Condensed Interim Consolidated Financial Statements and Interim Group Management Report for the first six months of 2024. The Committee awarded the audit engagement to the independent auditor elected by the Shareholders' Meeting for fiscal year 2024, namely KPMG AG Wirtschaftsprüfungsgesellschaft, and specified the auditor's fee. It further awarded the limited assurance engagement in respect of the non-financial group statement to the auditor. It monitored the selection, independence and qualification of the auditor and assessed the quality of the audit and the auditor's performance, including the additional services rendered. The Chair of the Audit Committee was also in regular contact with the auditor, including between meetings.

The Committee also concerned itself with the audit of the accounts and oversight over the accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system, the reports on compliance matters and threatened or pending material legal disputes, as well as the tax position of the Company, and inquired about related party transactions exceeding certain thresholds. The committee also reviewed the banking lines, financial covenants and overall cash situation of the company, and the external guidance. It intensively discussed the financial effects in connection with the quality issues at SG with the Company's management and the auditor. In that context, the Committee requested additional reports from the internal group audit function and obtained expert opinions on certain aspects from external advisors. The practice of closed sessions without the Executive Board in attendance at the end of each meeting, which had been adopted as normal practice at the Committee's constituent meeting on November 9, 2020, was retained and the confidential communication between the Committee and the auditor promoted.

The Audit Committee was informed by the auditor KPMG about the requirements of Directive (EU) 2022/2426 (Corporate Sustainability Reporting Directive) and the challenges associated with its implementation. Other members of the Supervisory Board also attended the meeting.

The **Nomination Committee** held five meetings in fiscal year 2024. It dealt in depth with the succession planning for the Supervisory Board. Following the resignations from the Supervisory Board of Prof. Dr. Ralf P. Thomas and Randy Zwirn, it concerned itself with preparing the Supervisory Board's proposals to the Shareholders' Meeting 2024 for the election of two new Supervisory Board members. The Committee was supported by a law firm in evaluating the candidates. A further focus of the Nomination Committee's work was the preparation of the Supervisory Board's proposals in light of the regular election of shareholder representatives to the Supervisory Board by the Shareholders' Meeting 2025. The Nomination Committee discussed both the reelection of Supervisory Board members and suitable new candidates. The Committee concerned itself with the regulatory conditions for the search and evaluation of candidates and based its considerations especially on the targets adopted by the Supervisory Board for the composition of the Supervisory Board, including the skills profile and the diversity concept. The Committee was supported in its decision-making by a reputable external human resources consultant.

The **Remuneration Committee**, which was established effective March 1, 2024, met five times in the reporting period. Two resolutions were adopted via the Electronic Boardroom. In March 2024, the new Committee members received onboarding to deepen their knowledge of the issues relevant to their Committee work. In particular, the Remuneration Committee prepared the Supervisory Board resolutions on the adjustment of the compensation system for Executive Board members to take account of the requirements for variable compensation in connection with the counter-guarantee provided by the German government. Independent external consultants were involved in this process. The Remuneration Committee also prepared the Supervisory Board resolution on the appointment of the auditor for the Compensation Report for fiscal year 2024.

The **Sustainability and Finance Committee** convened four times in the reporting period. The main focuses of the Committee's work were its recommendation for the 2024 budget and the discussion of sustainability and ESG matters. Regarding the latter, the Committee concerned itself with the Company's sustainability program and the Sustainability Report. It focused on the implementation status of the decarbonization targets, especially the reduction of the Company's own greenhouse gas emissions and the reduction of downstream Scope 3 emissions, and on health and

safety issues within the Company. The meetings also discussed and approved divestment plans and addressed the Company's pension system and brand strategy.

The **Special Committee Siemens Gamesa** that was already established effective July 4, 2023, met nine times in fiscal year 2024. The focus of the Special Committee was on discussing and investigating the technical difficulties at SG, especially in respect of the issues that resulted in the publication of the ad hoc release on June 22, 2023. In particular, the Special Committee received reports of the Task Force established to deal with these issues and consulted external experts for support, especially for the technical analysis and assessment of the quality issues and for the validation of the potential remedies.

The **Mediation Committee** did not have to be convened in fiscal year 2024.

The composition of the Committees and information about the respective Chairs can be found in the **Corporate Governance Statement** and online at **www.siemens-energy.com/sb-committees**.

Corporate governance

In July 2024, the Executive Board and the Supervisory Board published an updated Declaration of Conformity. In September 2024, the Executive Board and the Supervisory Board approved the annual Declaration of Conformity pursuant to Section 161 German Stock Corporation Act ("Aktiengesetz"). The most recent Declaration of Conformity and further information on corporate governance can be found in the **Corporate Governance Statement** pursuant to Sections 289f and 315d German Commercial Code ("Handelsgesetzbuch"). The Declaration of Conformity for 2024 and past declarations of conformity are made permanently available on the Company's website at **www.siemens-energy.com/german-corporate-governance-kodex**.

Self-assessment of the Supervisory Board

The Supervisory Board regularly assesses how effectively the body as a whole and its Committees perform their duties. In July 2024, the members of the Supervisory Board were canvassed online about the efficiency of the Supervisory Board and its Committees. The findings were presented at the Supervisory Board meeting in August and then discussed separately by the shareholder and employee representatives. The resulting recommendations and measures are planned to be discussed in detail at the Supervisory Board meeting in December. Moreover, some meetings included an open feedback session to discuss the efficiency of the Supervisory Board. No major deficits were identified. Alongside proposals for organizational improvements, it was suggested in particular that the collaboration of the Committees on issues that touched upon the responsibilities of different Committees be clarified. The proposals for optimization that were discussed will inform the work of the Supervisory Board in the future.

Review of potential conflicts of interest

The members of the Supervisory Board of Siemens Energy AG are obliged to disclose to the Supervisory Board as a whole any conflicts of interest, especially those arising as a result of an advisory or governing body function at customers, suppliers and lenders of Siemens Energy AG or at other third parties. In connection with the security for bank guarantees from the German government and the sale of the stake in Siemens Limited in India to Siemens AG, members of the Supervisory Board who also hold board positions at Siemens AG, namely Dr. Andrea Fehrmann, Jürgen Kerner, Matthias Rebellius and Prof. Dr. Ralf P. Thomas, declared a potential conflict of interest. As a result, these Supervisory Board members did not participate in the deliberations and resolutions of the Supervisory Board and also received no access to the corresponding documents.

Training and development

Generally speaking, the members of the Supervisory Board make use of the training and development measures required to discharge their duties under their own responsibility with support from the Company. Deep dives are held during meetings of the Supervisory Board to provide specific training and enhance Company-related expertise. These concerned, in particular, the various business areas of Siemens Energy, the regions in which the Company operates and the relevant support functions. Other internal information events are organized to provide specific training, as necessary. On March 15, 2024, an onboarding event for members of the newly established Remuneration Committee was conducted by representatives of the Company and external consultants. On August 6, 2024, an information event on the subject of regulatory requirements for sustainability reporting was provided for the full Supervisory Board by an external provider in collaboration with employees of the Company.

With the involvement of the members of the Executive Board and the managers of specialist central functions, onboarding events tailored to their interests and needs are held for new Supervisory Board members in order to familiarize them with the Company's business areas and, especially, provide them with more detailed information about the governance structures of the Siemens Energy Group and the key issues addressed by the Supervisory Board. As required, the Supervisory Board members are also provided with information about the regulatory environment that is relevant to the work of the Supervisory Board and other pertinent legal developments. The three new members of the Supervisory Board were given appropriate support in the course of their induction. At numerous onboarding events, they were able to meet all the Executive Board members and representatives of various specialist departments and had the opportunity to familiarize themselves with the Company's business model and strategy, as well as with the structures and relevant issues of the Siemens Energy Group. In the course of the onboarding program, they also had the opportunity to visit the sites of various business areas and to gain insights into the portfolio and production and manufacturing methods.

INDIVIDUAL DISCLOSURE OF MEETING ATTENDANCE

In the past fiscal year, two meetings of the Supervisory Board were held as face-to-face meetings; the remaining seven meetings were held in hybrid form, i.e. as face-to-face meetings with the option of virtual attendance. None of the meetings were held as conference calls. Most meetings of the Supervisory Board Committees were conducted in hybrid format. Five Presiding Committee meetings, three Audit Committee meetings and

one meeting each of the Remuneration Committee and Nomination Committee were held in person only. Six Presiding Committee meetings, seven meetings of the Special Committee Siemens Gamesa, four Remuneration Committee meetings and one meeting each of the Sustainability and Finance Committee and Nomination Committee were held as entirely virtual video conferences. A total of 42% of Supervisory Board meetings were conducted in hybrid format, 20% as face-to-face meetings only and 38% as virtual meetings only. The attendance rate of members at the meetings of the full Supervisory Board and its Committees was 97% overall.

	Supervisory Board plenary meetings		Presiding Committee		Audit Committee		Sustainability and Finance Committee		Nomination Committee		Remuneration Committee		Special Committee Siemens Gamesa	
(Number of meetings / % attendance)	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Joe Kaeser Chairman	9/9	100	13/13	100	3/3	100	4/4	100	5/5	100	5/5	100		
Robert Kensbock 1st Deputy Chairman	9/9	100	13/13	100	5/5	100	4/4	100			4/5	80	9/9	100
Dr. Hubert Lienhard 2nd Deputy Chairman	9/9	100	13/13	100			4/4	100	5/5	100	5/5	100	9/9	100
Günter Augustat	9/9	100					4/4	100						
Manfred Bäreis	9/9	100			5/5	100								
Manuel Bloemers	9/9	100									5/5	100		
Dr. Christine Maria Bortenlänger	9/9	100			5/5	100					5/5	100		
Dr. Andrea Fehrmann	9/9	100			5/5	100								
Dr. Andreas Feldmüller	9/9	100									5/5	100		
Nadine Florian	9/9	100			5/5	100							9/9	100
Sigmar Gabriel	8/9	89					1/1	100						
Prof. Dr. Veronika Grimm (from February 26, 2024)	5/5	100							3/3	100				
Horst Hakelberg (until February 26, 2024)	4/4	100											4/4	100
Jürgen Kerner	7/9	78	11/13	85			3/4	75					8/9	89
Thomas Pfann	9/9	100					4/4	100						
Simone Menne (from February 26, 2024)	5/5	100			2/2	100								
Hildegard Müller	9/9	100			2/2	100								
Laurence Mulliez	8/9	89			5/5	100							6/9	67
Matthias Rebellius	8/9	89					3/3	100					7/9	78
Cornelia Schau (from February 26, 2024)	5/5	100												
Prof. Dr. Ralf Thomas (until February 26, 2024)	2/4	50			3/3	100			2/2	100				
Geisha Jimenez Williams	9/9	100					4/4	100	5/5	100				
Randy Zwirn (until February 26, 2024)	4/4	100											4/4	100
		95		96		100		97		100		97		92

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS DISCUSSED IN DETAIL

The independent auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, Germany, audited the financial statements, Consolidated Financial Statements and Combined Management Report for Siemens Energy AG and the Group for the fiscal year ending September 30, 2024, and issued an unqualified opinion. KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, Germany, was appointed as the auditor for Siemens Energy Group by resolution of the Shareholders' Meeting on February 26, 2024. For the first time, Dr. Stephanie Dietz and Martin Schmitt will sign as the auditors. The financial statements of Siemens Energy AG and the Combined Management Report for Siemens Energy AG and the Group were issued in accordance with German legal requirements. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the additional requirements of German law pursuant to Section 315e (1) German Commercial Code. The Consolidated Financial Statements also comply with IFRS as published by the International Accounting Standards Board (IASB). The auditor conducted the audit in accordance with Section 317 German Commercial Code and the EU Auditor Directive, taking into account the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW), and in supplementary compliance with the International Standards on Auditing (ISA). The Executive Board distributed the documents specified and the Executive Board's proposal for the appropriation of net income to us in advance. The preliminary dividend proposal was discussed in detail at the meeting of the Audit Committee on November 12, 2024; the financial statements, the Consolidated Financial Statements and the Combined Management Report at the meeting of the Audit Committee on December 10, 2024. The Audit Committee addressed in particular the key audit matters described in the respective audit opinion, including the audit procedures performed. The audit by the Audit Committee also included the separate non-financial statement for the Group. The reports of the independent auditor, including the audit report on the Compensation Report, were available to all members of the Supervisory Board and were discussed at length in the presence of the auditor at the Supervisory Board's meeting to approve the financial statements on December 11, 2024. The auditor reported on the scope, focus and main results of its audit and in particular addressed the key audit matters and the audit procedures performed. No significant weaknesses of the internal control system and the risk management system were reported. At this meeting, the Executive Board explained the financial statements of Siemens Energy AG and the Consolidated Financial Statements of the Group, as well as the risk management system.

The Supervisory Board agrees with the results of the audit. No objections are to be raised following the final results of the audit by the Audit Committee and of the review by the full Supervisory Board. The Compensation Report was compiled by the Executive Board and the Supervisory Board, and the annual financial statements and the Consolidated Financial Statements were prepared by the Executive Board. The Supervisory Board approved the financial statements and Consolidated Financial Statements. The financial statements are therefore adopted. The Executive Board proposes that the unappropriated net income of Siemens Energy AG for the fiscal year that ended on September30, 2024, shall be carried forward to the next fiscal year. The Supervisory Board consented to this proposal.

CHANGES TO THE SUPERVISORY BOARD AND EXECUTIVE BOARD

There were no changes to the Executive Board during the reporting period.

By resolution of the Supervisory Board on September 25, 2024, the mandate of Dr. Christian Bruch as a member of the Executive Board and Chief Executive Officer was extended with effect from May 1, 2025, until the end of April 30, 2030. By resolution of the Supervisory Board on May 7, 2024, the mandate of Karim Amin as an ordinary member of the Executive Board was extended with effect from March 1, 2025, until the end of February 28, 2030. In a circulation procedure initiated on July 12, 2024, the mandates of Anne-Laure de Chammard and Vinod Philip were extended until the end of July 31, 2029.

At the end of the Shareholders' Meeting on February 26, 2024, shareholder representatives Prof. Dr. Ralf P. Thomas and Randy Zwirn and employee representative Horst Hakelberg left the Supervisory Board.

As new shareholder representatives on the Supervisory Board, the Shareholders' Meeting elected Simone Menne for a term of four years – from 2024 to 2028 – and Prof. Dr. Veronika Grimm for a term of three years – from 2024 to 2027.

On November 16, 2023, in accordance with the requirements of the German Codetermination Act, Cornelia Schau was elected as a new employee representative to the Supervisory Board with effect from the end of the Shareholders' Meeting on February 26, 2024, for a term of five years. The previous employee representatives on the Supervisory Board – Günter Augustat, Manfred Bäreis, Manuel Bloemers, Dr. Andrea Fehrmann, Dr. Andreas Feldmüller, Nadine Florian, Robert Kensbock, Jürgen Kerner and Thomas Pfann – were reelected as members of the Supervisory Board with effect from the end of the Shareholders' Meeting on February 26, 2024, for a further term of five years – from 2024 to 2029.

For the Supervisory Board

Joe Kaeser

Chairman

4.5 Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code

In this statement, the Executive Board and Supervisory Board report on the corporate governance of the Company and the Group in accordance with Sections 289 f and 315 d German Commercial Code and Principle 23 of the German Corporate Governance Code 2022 (Code). The Compensation Report can be found in chapter **4.6 Compensation Report of Siemens Energy AG for fiscal year 2024 pursuant to Section 162 of the German Stock Corporation Act**. It is, along with the independent auditor's statement according to s. 162 of the Stock Corporation Act ("Aktiengesetz"), the current compensation system according to s. 87a para. 1 and 2 sentence 1 of the Stock Corporation Act, and the latest shareholders' resolution on compensation according to s. 113 para. 3 of the Stock Corporation Act, also available on our website at **www.siemens-energy.com/remuneration-system**. More information on corporate governance is available online at **www.siemens-energy.com/corporate-governance**.

Declaration of conformity with the German Corporate Governance Code

The Executive Board and the Supervisory Board of Siemens Energy AG approved the following Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz):

"Declaration of Conformity by the Executive Board and the Supervisory Board of Siemens Energy AG with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act

Siemens Energy AG complies with all the recommendations of the Government Commission on the German Corporate Governance Code in the version dated April 28, 2022 ("Code"), published by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger), and will continue to comply with them in the future, with the following exceptions:

- Recommendations C.4 and C.5 are not complied with. According to recommendation C.4, a Supervisory Board member who is not a member of any Executive Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as chair of a Supervisory Board being counted twice. According to recommendation C.5, members of the Executive Board of a listed company shall not accept more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not serve as the chair of a Supervisory Board in a non-group listed company.

  Rather than regarding the recommended maximum number of mandates for Executive Board and Supervisory Board members as a fixed upper limit, a judgment on whether the number of relevant mandates is appropriate as defined by the Code should be made on a case-by-case basis. This assessment should consider the anticipated workload arising from the accepted mandates, which may differ from case to case.

- The guarantee pledged by the Federal Republic of Germany in December 2023 (the government guarantee) precludes variable compensation for the members of the Executive Board for the fiscal years between 2024 and 2026, provided that guarantees secured by the government guarantee are issued within these fiscal years. Accordingly, no variable compensation within the meaning of Section G of the Code is granted for the respective fiscal years.

Since submission of the last Declaration of Conformity in July 2024, Siemens Energy AG has complied with all the recommendations of the Code, with the aforementioned exceptions, and with exception of a deviation from Recommendation C.2:

- As per recommendation C.2, an age limit shall be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement.

  The deviation has ceased to apply. By resolution of September 25, 2024, the Supervisory Board introduced a regular age limit, which is anchored in the By-laws of the Supervisory Board and in the objectives for Supervisory Board's composition, and which is published in the Corporate Governance Declaration.

Munich, September 2024

Siemens Energy AG

The Executive Board The Supervisory Board"

The latest Declaration of Conformity is available on the Siemens Energy AG website at **www.siemens-energy.com/german-corporate-governance-code**.

Corporate constitution (Unternehmensverfassung)

The term "Siemens Energy Group" refers to Siemens Energy AG and its Group companies. As a German stock corporation (Aktiengesellschaft), Siemens Energy AG, domiciled in Munich, registered at the commercial register at the district court of Munich under registry number HRB 252581, has three governing bodies: the Executive Board, the Supervisory Board, and the Shareholders' Meeting. Their duties and powers are derived primarily from the Stock Corporation Act and the articles of association of Siemens Energy AG, as well as from the bylaws.

Composition and operation of the Executive Board

As of September 30, 2024, the Executive Board of Siemens Energy AG was composed of six members. The members of the Executive Board and their memberships to be disclosed in accordance with Section 285 No. 10 German Commercial Code can be found at the end of this chapter.

As the top management body, the Executive Board is bound to serving the interests of the Company and achieving sustainable growth in company value. The members of the Executive Board are jointly responsible for the entire management of the Company and decide on the Basic issues of business policy and corporate strategy as well as on the Company's annual and multi-year plans.

The Executive Board prepares the Company's quarterly statements and half-year financial report, the financial statements and Consolidated Financial Statements, and the Combined Management Report of Siemens Energy AG and the Group. In addition, the Executive Board ensures that the Company adheres to statutory requirements, official regulations and internal Company policies and works to achieve compliance with these provisions and policies within the Group. The Executive Board has established a comprehensive compliance management system. Protection is offered to employees and third parties who provide information on unlawful behavior within the Company. Details on the compliance management system are available on the Company's website at: **www.siemens-energy.com/compliance.**

The Supervisory Board has issued Bylaws for the Executive Board that contain the rules for cooperation both within the Executive Board and between the Executive Board and the Supervisory Board. Without prejudice to the principle of the Executive Board members' joint responsibility and their obligation to peer cooperation, the Supervisory Board has issued a business allocation plan that, most recently effective as of August 1, 2024, specifies the Executive Board portfolios and the individual Executive Board members' responsibilities. The Labor Director (Arbeitsdirektor) is appointed in accordance with the requirements of Section 33 of the German Codetermination Act (Mitbestimmungsgesetz). As a rule, first-time appointments to the Executive Board should not exceed three years. Members of the Executive Board shall, as a rule, not be over 63 years of age. Executive Board committees have not been set up.

As a rule, a portfolio assigned to an individual member is that member's own responsibility. Activities and transactions in a particular Executive Board portfolio that are considered to be extraordinarily important for the Company or associated with an extraordinary economic risk require the prior consent of the full Executive Board.

The same applies to activities and transactions for which the President or another member of the Executive Board demands a prior decision by the Executive Board. The President is responsible for the coordination of all Executive Board portfolios. Further details are available in the Bylaws for the Executive Board at: **www.siemens-energy.com/articles-of-association-&-bylaws**.

The Executive Board and the Supervisory Board cooperate closely for the benefit of the Company. The Executive Board informs the Supervisory Board regularly, comprehensively, and without delay on all issues of importance to the entire Company with regard to strategy, planning, business development, financial position and results of operations, compliance, and entrepreneurial risks. At regular intervals, the Executive Board also discusses the status of strategy implementation with the Supervisory Board.

The members of the Executive Board are subject to a comprehensive prohibition on competitive activity for the period of their employment at Siemens Energy AG. They are bound to serving the interest of the Company. When making their decisions, they may not be guided by personal interests nor may they exploit for their own advantage business opportunities offered to the Company. Executive Board members may conduct additional activities of material nature outside the company – in particular, Supervisory Board positions outside the Siemens Energy Group – only with the approval of the Presiding Committee of the Supervisory Board. The Supervisory Board is responsible for decisions regarding any adjustments to Executive Board compensation that are necessary in order to take account of possible compensation for secondary activities. Every Executive Board member is under an obligation to disclose conflicts of interest without delay to the Chair of the Supervisory Board and to the President of the Executive Board, and to inform the other members of the Executive Board thereof.

Information on the areas of responsibility and the curricula vitae of the members of the Executive Board are available on the Company's website at: **www.siemens-energy.com/executive-board**. Information on the compensation paid to the members of the Executive Board is provided in chapter **4.6 Compensation Report of Siemens Energy AG for fiscal year 2024 pursuant to Section 162 of the German Stock Corporation Act.**

Composition and operation of the Supervisory Board

The Supervisory Board consists of 20 members and comprises an equal number of ten shareholder representatives and ten employee representtatives in accordance with the German Codetermination Act.

The members of the Supervisory Board representing shareholders are elected by simple majority by the Shareholders' Meeting. Elections to the Supervisory Board are conducted, as a rule, on an individual basis. The Supervisory Board's employee representatives are elected in accordance with the provisions of the German Codetermination Act. The members of the Supervisory Board and their memberships to be disclosed in accordance with Section 285 No. 10 German Commercial Code can be found at the end of this chapter.

The Supervisory Board oversees and advises the Executive Board in its management of the Company's business. At regular intervals, the Supervisory Board discusses business development, planning, strategy, including the innovation strategy and the sustainability strategy, and their implementation. It reviews the financial statements and Consolidated Financial Statements, the Combined Management Report of Siemens Energy AG and the Group, including the Group Non-financial Statement, and the proposal for the appropriation of Net income. It approves the financial statements of Siemens Energy AG as well as the Consolidated Financial Statements, based on the results of the preliminary review conducted by the Audit Committee and taking into account the reports of the independent auditors. The Supervisory Board decides on the Executive

Board's proposal for the appropriation of Net income and the Report of the Supervisory Board to the Shareholders' Meeting. In addition, the Supervisory Board and the Audit Committee of the Supervisory Board monitor the Company's adherence to statutory provisions, official regulations and internal Company policies (compliance) and addresses the non-financial statement.

The Supervisory Board also appoints the members of the Executive Board and determines each member's portfolios. The Supervisory Board approves – on the basis of a proposal by the Remuneration Committee – the compensation system for Executive Board members and defines their concrete compensation in accordance with this system. It sets the individual targets for the variable compensation and the total compensation of each individual Executive Board member, reviews the appropriateness of total compensation, and regularly reviews the Executive Board compensation system. Important Executive Board decisions – such as those regarding major acquisitions, divestments, fixed asset investments, or financial measures – require Supervisory Board approval unless the bylaws for the Supervisory Board specify that such authority be delegated to the Sustainability and Finance Committee of the Supervisory Board.

The Supervisory Board regularly reviews – either internally or with the involvement of external consultants –how effectively the Supervisory Board and its committees perform their duties. , The practice of discussing the effectiveness of the Supervisory Board's and its Committees' work in an open forum at the end of individual Supervisory Board meetings and acting upon the respective suggestions was continued in fiscal year 2024. Besides operational improvements, it was particularly suggested to refine the cooperation between committees in matters that affect the competencies of different committees. In July 2024, an online survey on the efficiency of the Supervisory Board and its committees was conducted amongst the Supervisory Board members. The results were presented in August 2024 and subsequently discussed in separate meetings between the shareholder and the employee representatives. The recommendations and measures derived therefrom will be discussed in detail in December 2024.

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 Executive Board in attendance. Every Supervisory Board member is under an obligation to disclose conflicts of interest to the Supervisory Board. In that regard, the Supervisory Board in particular takes into account that some of its members are at the same time board members at the Company's largest shareholder. Information regarding any conflicts of interest that have arisen and their handling, for example by way of abstaining or not attending the deliberations, is provided in the Report of the Supervisory Board. Special informational (onboarding) events are held in order to familiarize new Supervisory Board members with the Company's business model and the structures of the Siemens Energy Group.

Details regarding the work of the Supervisory Board are provided in chapter **4.4 Report of the Supervisory Board**. The curricula vitae of the members of the Supervisory Board are published on the Company's website at **www.siemens-energy.com/supervisory-board** and are updated annually. Information on the compensation paid to the members of the Supervisory Board is provided in chapter **4.6 Compensation Report of Siemens Energy AG for fiscal year 2024 pursuant to Section 162 of the German Stock Corporation Act**.

Supervisory Board committees

The Supervisory Board has established six standing committees: the Presiding Committee, the Audit Committee, the Remuneration Committee, the Sustainability and Finance Committee, the Nominating Committee and the Mediation Committee in accordance with Section 27 para. 3 of the German Codetermination Act. Their duties, responsibilities, and procedures fulfill the requirements of the German Stock Corporation Act and the Code. The chairs of these committees provide the Supervisory Board with regular reports on their committees' activities. In addition, with effect from July 4, 2023, the Supervisory Board established the Special Committee Siemens Gamesa. On September 25, 2024, in light of the progress made in remedying the quality issues in the wind business, the Supervisory Board resolved to dissolve the Special Committee with effect from November 7, 2024.

The **Presiding Committee** coordinates the work of the Supervisory Board; it also prepares the Supervisory Board meetings and the self-assessment of the effectiveness of the Supervisory Board and its committees. It discusses the long-term succession planning for the Executive Board, makes proposals regarding the appointment and dismissal of Executive Board members, and is responsible for concluding, amending, extending, and terminating employment contracts with members of the Executive Board. When making recommendations for first-time appointments, the Presiding Committee takes into account that these appointments should not exceed an initial term of three years. In preparing recommendations regarding the appointment of Executive Board members, the Presiding Committee takes into account the statutory provisions and the profile of requirements defined by the Supervisory Board, along with the diversity concept, and considers the age limit for Executive Board members defined by the Supervisory Board, the statutory minimum participation requirement, and the stipulated targets for the percentage of women. The Presiding Committee concerns itself with questions regarding the Company's corporate governance and prepares the resolutions to be approved by the Supervisory Board regarding the Declaration of Conformity with the Code – including the explanation of deviations from the Code – and the Report of the Supervisory Board to the Shareholders' Meeting. Furthermore, the Presiding Committee submits recommendations to the Supervisory Board for the composition of the Supervisory Board committees and for the positions of their chairs, as well as for the position of the chair of the Supervisory Board, and decides whether to approve contracts and business transactions with Executive Board members and parties related to them, to the extent they require the Supervisory Board's approval in accordance with s. 112 of the Stock Corporation Act or otherwise. Ultimately, the Presiding Committee is responsible for the decision if the Executive Board requires the approval of the Presiding Committee for the appointment or dismissal of management positions determined under its bylaws.

As of September 30, 2024, the Presiding Committee had the following members: Joe Kaeser (Chairman), Robert Kensbock, Jürgen Kerner and Dr. Hubert Lienhard.

The **Audit Committee** attends to auditing the accounts and overseeing the accounting process, the effectiveness of the internal control system and the risk management system, including the coverage of sustainability targets, the effectiveness of the internal auditing system and the internal

process for related-party transactions. It is responsible for preparing the Supervisory Board's audit of the financial statements, the Consolidated Financial Statements, and Combined Management Report of Siemens Energy AG and the Siemens Energy Group and for the audit of the Executive Board's proposal for the appropriation of Net income by the Supervisory Board. On the basis of the independent auditors' report on their audit of the financial statements, the Audit Committee makes, after its preliminary review, recommendations regarding Supervisory Board approval of the financial statements of Siemens Energy AG and the Consolidated Financial Statements. The Audit Committee discusses the quarterly statements and the half-year financial report with the Executive Board and the independent auditors and deals with the auditors' reports on the review of the half-year Consolidated Financial Statements and interim group management report. The Audit Committee attends to monitoring the Company's adherence to statutory provisions, official regulations, and internal Company policies (compliance), as well as the Group's separate non-financial statement. The Audit Committee receives regular reports from the Internal Audit Department.

It prepares the Supervisory Board's recommendation to the Shareholders' Meeting concerning the election of the independent auditors and submits the corresponding proposal to the Supervisory Board. It awards the audit contract to the independent auditors elected by the Shareholders' Meeting and monitors the independent audit of the financial statements, particularly the selection, independence, rotation and qualification of the auditor, as well as the quality of the audit, the auditor's performance and the additional services rendered. In doing so, it observes the applicable statutory provisions, particularly the requirements under Regulation (EU) 537/2014 regarding statutory audit. Outside its meetings, the Supervisory Board is also in regular communication with the independent auditors via the Chair of the Audit Committee, who reports thereof to the Audit Committee.

As of September 30, 2024, the Audit Committee had the following members: Laurence Mulliez (Chair), Manfred Bäreis, Dr. Christine Bortenlänger, Dr. Andrea Fehrmann, Nadine Florian, Simone Menne, Hildegard Müller and Robert Kensbock. The members of the Audit Committee are, as a group, familiar with the sector in which the Company operates. Pursuant to the German Stock Corporation Act, at least one member of the Audit Committee must have expertise in the field of accounting and at least one other member must have expertise in auditing. As per the Code, expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements, whereby accounting and auditing also comprise sustainability reporting and its audit. The chair of the audit committee shall have appropriate expertise in at least one of the two areas and shall be independent. The Audit Committee in its current composition meets these requirements. The chair of the Audit Committee, Ms. Laurence Mulliez, has more than five years of experience as audit committee chair at an international company listed in the European Union, and has served as a member on other audit committees; she therefore achieved special knowledge and experience both in accounting and in auditing, including mandatory sustainability reporting, through her professional activities. As per the Supervisory Board's assessment, Ms. Mulliez is also independent. Moreover, with Simone Menne the Audit Committee comprises at least one further member, who has obtained the required special knowledge and expertise in both areas; Ms. Menne had been longstanding Chief Financial Officer of, inter alia, a listed company and is currently chair of the audit committee of a DAX40 company and member in further audit committees of listed companies.

The **Remuneration Committee** has been established with effect from March 1, 2024. It prepares the proposals for decisions at the Supervisory Board's plenary meetings regarding the system of Executive Board and Supervisory Board compensation, including the implementation of this system in Executive Board contracts, the definition of the targets for variable Executive Board compensation and the determination of whether these targets have been achieved, the determination and review of the appropriateness of the total compensation of individual Executive Board members, and the resolution on the annual Compensation Report, including the appointment of the auditor. Prior to the establishment of the Remuneration Committee, the aforementioned tasks were performed by the Presiding Committee.

As of September 30, 2024, the Remuneration Committee had the following members: Dr. Hubert Lienhard (Chair), Manuel Bloemers, Dr. Christine Bortenlänger, Dr. Andreas Feldmüller, Joe Kaeser and Robert Kensbock.

The **Sustainability and Finance Committee** is in particular tasked with addressing, subject to other committees' competencies, sustainability matters (Environmental, Social, Governance – ESG). In addition, the Committee discusses and prepares the negotiations and resolutions of the Supervisory Board on the financial situation and resources of the Company, including the annual budget, as well as investments in tangible assets and financial measures, and resolves in lieu of the Supervisory Board on the approval of transactions that require Supervisory Board approval and that do not exceed a volume of €600 million. Moreover, the Committee deals with the corporate, brand and design image of the Company.

As of September 30, 2024, the Sustainability and Finance Committee had the following members: Joe Kaeser (Chairman), Günter Augustat, Sigmar Gabriel, Robert Kensbock, Jürgen Kerner, Dr. Hubert Lienhard, Thomas Pfann and Geisha Williams. The Chair of the Audit Committee attends the meetings of the Sustainability and Finance Committee if there are overlaps to items of the Audit Committee.

The **Nominating Committee** is responsible for making recommendations to the Supervisory Board on suitable candidates for election by the Shareholders' Meeting as shareholder representatives on the Supervisory Board. It is to be ensured that, besides possessing the necessary knowledge, skills, and expertise, the proposed candidates are familiar with the sector in which the Company operates. The objectives defined by the Supervisory Board for its composition should be taken into consideration, as should diversity and expertise in the sustainability issues of importance to the Company, and the fulfillment of the profile of required skills and expertise developed by the Supervisory Board.

As of September 30, 2024, the Nominating Committee had the following members: Joe Kaeser (Chairman), Prof. Dr. Veronika Grimm, Dr. Hubert Lienhard and Geisha Williams.

The **Mediation Committee** to be established in accordance with Section 27 para. 3 of the Co-Determination Act makes proposals to the Supervisory Board for the appointment of members of the Executive Board, if the majority of two thirds of the Supervisory Board members' votes as required by Section 31 para. 2 of the Co-Determination Act is not reached. As of September 30, 2024, the Mediation Committee, besides the Chair and the first Deputy Chair of the Supervisory Board, comprised of Jürgen Kerner and Dr. Hubert Lienhard.

The **Special Committee Siemens Gamesa** was responsible for advising, supporting and monitoring the Executive Board on certain matters at Siemens Gamesa. As of September 30, 2024, it comprised of Dr. Hubert Lienhard (Chairman), Nadine Florian, Robert Kensbock, Jürgen Kerner, Laurence Mulliez and Matthias Rebellius. The Chairman of the Supervisory Board was a regular guest at the committee.

More details are available in the bylaws for the Supervisory Board at: **www.siemens-energy.com/articles-of-association-&-bylaws**.

Share transactions by members of the Executive and Supervisory Boards

Pursuant to Article 19 of EU Regulation No. 596/2014 of the European Parliament and Council of April 16, 2014, on market abuse (Market Abuse Regulation), members of the Executive Board and the Supervisory Board are legally required to disclose all transactions conducted on their own account relating to the shares or debt instruments of Siemens Energy AG or to the derivatives or financial instruments linked thereto if the total value of such transactions entered into by a board member or any closely associated person reaches or exceeds € 20,000 in any calendar year. All transactions reported to Siemens Energy AG in accordance with this requirement are duly published and are available on the Company website at: **www.siemens-energy.com/managers-transactions**.

Details regarding transactions with members of the Executive and Supervisory Boards as related individuals are available in **3.6 Notes to Consolidated Financial Statements** in **Note 27 Related party transactions**.

Shareholders' Meeting and investor relations

Shareholders exercise their rights at the Shareholders' Meeting. An annual ordinary Shareholders' Meeting normally takes place within the first five months of each fiscal year. The Shareholders' Meeting decides, among other things, on the appropriation of Net income, the ratification of the acts of the Executive and Supervisory Boards, and the appointment of the independent auditors. Amendments to the articles of association and measures that change the Company's capital stock are approved at the Shareholders' Meeting and implemented by the Executive Board. The Executive Board facilitates shareholder participation in this meeting through electronic communications – in particular, via the internet – and enables shareholders who are unable to attend the meeting to vote by proxy. Proxies can also be reached during the Shareholders' Meeting. Furthermore, shareholders may exercise their right to vote in writing or by means of electronic communications (absentee voting). The Executive Board may enable shareholders to participate in the Shareholders' Meeting without the need to be present at the venue and without a proxy and to exercise some or all of their rights fully or partially by means of electronic communications.

The Company enables shareholders to follow the entire Shareholders' Meeting via the internet. Shareholders may submit proposals regarding the proposals of the Executive and Supervisory Boards and may contest decisions of the Shareholders' Meeting. Shareholders owning stock with an aggregate notional value of € 100,000 or more may also demand the judicial appointment of special auditors to examine specific issues. The reports, documents, and information required by law for the Shareholders' Meeting, including the Annual Report, can be downloaded from the Company website. The same applies to the agenda for the Shareholders' Meeting and to any counterproposals or shareholders' nominations that may require disclosure. For the election of shareholder representatives on the Supervisory Board, a detailed curriculum vitae of every candidate is published.

In the ordinary Shareholders' Meeting on February 7, 2023, the Executive Board was authorized by way of an amendment to the Articles of Association to provide for the Shareholders' Meeting to be held without the shareholders or their proxy representatives being physically present at the place where the Shareholders' Meeting is held (virtual Shareholders' Meeting) for a period of up to two years after entry of the amendment to the Articles of Association in the Company's commercial register. During the two-year term of the authorization, the Executive Board will decide anew in respect of each Shareholders' Meeting whether and under which conditions it shall be convened as a virtual Shareholders' Meeting. In doing so, it will take into account the relevant specific circumstances of the individual case, applying due care in the best interest of the Company and the shareholders. The Executive Board will also take into account in its decision the appropriate protection of the shareholders' participation rights.

By resolution of the Executive Board in utilization of the authorization described above, the ordinary Shareholders' Meeting on February 26, 2024, was held as virtual shareholders' meeting without the physical attendance of the shareholders or their proxy representatives. The entire meeting was broadcast via audio and video. Shareholders were able to exercise their voting rights by way of electronic communication or by proxy representation, and to, within the limits of the statutory provisions by way of electronic communication and submit statements. Shareholders who participated electronically in the meeting were, by way of electronic communication and within the limits of the statutory provisions, able to file motions, make proposals for elections and exercise their right to information and to speak, and by way of electronic communication to file an objection against a shareholders' resolution.

As part of investor relations activities, investors are informed comprehensively about developments within the Company. For communication purposes, Siemens Energy AG makes extensive use of the Internet. We publish quarterly statements, half-year financial reports and Annual Reports, earnings releases, ad hoc announcements, analyst presentations, letters to shareholders, as well as the financial calendar for the current year, which contains the publication dates of significant financial communications and the date of the Shareholders' Meeting, at: **www.siemens-energy.com/investorrelations**. The Chairman of the Supervisory Board regularly attends Corporate Governance Roadshows and discusses Supervisory-Board-specific topics with investors.

Further information on corporate governance practices

Suggestions of the Code

Siemens Energy AG voluntarily complies with the Code's suggestions, with the following exception:

Pursuant to suggestion A.8 of the Code, in the case of a takeover offer, the Executive Board should convene an extraordinary Shareholders' Meeting at which shareholders will discuss the takeover offer and may decide on corporate actions. The convening of a Shareholders' Meeting, including where such meeting is held virtually – even taking into account the shortened time frames stipulated in the German Securities Acquisition and Takeover Act ("Wertpapiererwerbs- und Übernahmegesetz") – is an organizational challenge for large publicly listed companies. It appears doubtful whether the associated effort is justified in cases where no relevant decisions by the Shareholders' Meeting are intended. The convening of an extraordinary Shareholders' Meeting should therefore be decided on a case-by-case basis.

Business Conduct Guidelines

The Business Conduct Guidelines provide the ethical and legal framework within which Siemens Energy AG and its group companies want to conduct their activities and remain on course for success. They contain the basic principles and rules for the conduct within the Company and in relation to our external partners and the general public. They set out how Siemens Energy AG and its group companies meet their ethical and legal responsibility as a Company.

Equal participation of men and women in management positions

During the reporting period, the composition of the Supervisory Board complied with the statutory requirements for the minimum participation of men and women.

The current composition of Siemens Energy AG's Executive Board complies with the requirements of Section 76 para. 3a AktG, according to which there is an obligation on stock-listed companies that are subject to parity co-determination and whose Executive Board comprises more than three members, to have at least one female and one male member on the executive board,

The target of at least 25% for the proportion of women on the Executive Board by August 31, 2025, set by the Supervisory Board, remains in place.

During the reporting period, Siemens Energy AG as the parent company of the Siemens Energy Group, and being a pure holding company, had no independent organizational structure. On the basis of a position evaluation system that is applied Group-wide, the Executive Board has therefore defined one management level for employees directly employed at Siemens Energy AG and has set a target of at least 25% for the proportion of women for this management level by September 30, 2025. The Executive Board takes diversity into account when filling management positions. Further information is available in the **Sustainability Report**.

Statutory provisions on equal participation of men and women in management positions that may be applicable to group companies other than Siemens Energy AG remain unaffected.

Diversity concept for the Executive Board

In November 2020, the Supervisory Board approved the following diversity concept for the composition of the Executive Board:

When making an appointment to a specific Executive Board position, the Supervisory Board's decision must be guided by the Company's best interest, taking into consideration all circumstances in the individual case. In the view of the Supervisory Board, the decisive criteria for the selection of members of the Executive Board are in particular their personal suitability, expertise in their prospective areas of responsibility, convincing leadership qualities, achievements to date, international experience, knowledge of the Company, and the ability to adjust business models and processes in a changing global environment. It must be ensured that the members of the Executive Board collectively have the knowledge, skills, and experience, as is required to optimally fulfill their duties as Executive Board members for a company active in the field of energy and technology, such as Siemens Energy.

When considering which personality would best complement the Executive Board, the Supervisory Board also pays attention to aspects of diversity, in particular age, gender, educational and professional background, and internationality. The aim is to achieve a composition that is diverse and comprises individuals who complement one another in an Executive Board that brings different perspectives to the management of the Company.

- The Supervisory Board considers it helpful if different age groups are represented on the Executive Board. In accordance with the recommendation of the German Corporate Governance Code, the Supervisory Board has defined an age limit for the members of the Executive Board. Accordingly, the members of the Executive Board shall, as a rule, not be older than 63 years of age.
- Diversity also means gender diversity. When selecting individuals for Executive Board positions, the targets set by the Supervisory Board for the proportion of women on the Executive Board must be taken into account. The Supervisory Board has established as a target that 25% of the Executive Board positions are to be held by women by August 31, 2025.
- In addition to the expertise and management and leadership experience required for their specific tasks, the Executive Board members are to have a broad range of knowledge and experience and wide educational and professional backgrounds.
- Collectively, the Executive Board shall have experience in the business areas that are important for Siemens Energy, namely energy generation, energy transmission, engineering and construction.

- The Executive Board shall collectively possess knowledge of, and experience in, the areas of technology, strategy, innovation, manufacturing and production, marketing and sales, finances, corporate social responsibility, law and compliance, as well as the development and management of human resources.
- Siemens Energy operates globally with a workforce stemming from numerous countries and global customer and supplier bases. Therefore, the composition of the Executive Board should take into account internationality of its members in the sense of different cultural backgrounds or international experience. The aim is to ensure that there is intercultural openness and the corresponding understanding and ability to assess international issues and contexts within the Executive Board.

Status of implementation of the diversity concept for the Executive Board

The diversity concept for the Executive Board is implemented as part of the process for making appointments to the Executive Board by the Supervisory Board. When selecting candidates and/ or making proposals for the appointment of Executive Board members, the Supervisory Board and the Presiding Committee of the Supervisory Board take into account the requirements defined in the diversity concept for the Executive Board.

The current composition of the Executive Board fulfills the diversity concept adopted by the Supervisory Board. The members of the Executive Board cover a broad spectrum of knowledge and experience and exhibit diversity with regard to professional and educational background in the Executive Board's current composition. The Executive Board has all the knowledge and experience that is considered essential in view of the activities of Siemens Energy. All Executive Board members have international experience. The various career paths and personalities within the Executive Board reflect the complex tasks it faces.

At the end of fiscal year 2024, the Executive Board comprised two women and four men. The proportion of women on the Executive Board thus met the target of 25% set by the Supervisory Board and the minimum participation requirement specified by Germany's Second Management Positions Act. The average age of the Executive Board members stood at 50 years at the end of fiscal year 2024, whereby the youngest member was 42, and the oldest member 55 years old. No Executive Board member was older than 63 years of age during the reporting period.

Jointly with the Executive Board and with the support of the Presiding Committee, the Supervisory Board conducts long-term succession planning for the Executive Board. In the process, the Supervisory Board considers the target it has defined for the proportion of women on the Executive Board and the criteria set out in the diversity concept it has approved for the Executive Board's composition as well as the requirements of the German Stock Corporation Act, the Code and the bylaws for the Supervisory Board. The Chair of the Executive Board continuously maintains a list of internal candidates and aligns it with the Chair of the Supervisory Board. If a decision on succession is pending, the Presiding Committee, taking account of the specific qualification requirements and the aforementioned criteria, develops an ideal profile on the basis of which it compiles a short-list of available candidates. In doing so, both the internal list as well as – if required with the support of external advisors – external candidates are considered. The Presiding Committee conducts interviews with these short-listed candidates and subsequently submits a recommendation for a resolution to the full Supervisory Board.

Objectives for the composition of the Supervisory Board, Profile of Required Skills and Expertise, Diversity Concept

The diversity concept for the Supervisory Board, together with the objectives regarding the Supervisory Board's composition and the profile of required skills and expertise for the Supervisory Board, were approved by the Supervisory Board most recently in September 2024:

The Supervisory Board of Siemens Energy AG shall be composed so as to ensure that it is able to effectively monitor and advise the Executive Board.

Requirements for the individual members of the Supervisory Board

- **Personality and integrity**
  Each member of the Supervisory Board shall have the personality and integrity needed to perform their duties properly. He/ she shall put the interests of the Company at the heart of all their activities at all times and be aware of and comply with their statutory duty of confidentiality in particular.

- **Individual professional abilities**
  Each member of the Supervisory Board must have the knowledge, skills and experience necessary to carry out the functions of a Supervisory Board member in a multinational publicly traded company. Members of the Supervisory Board must be familiar with conditions on the capital markets and with the specific features of a company listed on the stock exchange. Each member of the Supervisory Board should know and understand the main product groups, customer groups and sales markets of the Company and its strategy.

- **Availability**
  Each member of the Supervisory Board must have sufficient time to exercise the mandate with the necessary regularity and diligence. Consideration should be given to the fact that,
    - six Supervisory Board meetings are generally held every year;
    - sufficient time should be allowed for preparation of the meetings and, in particular for the detailed inspection of documents pertaining to the Annual and Consolidated Financial Statements;
    - members are required to attend the Annual Shareholders' Meeting;
    - depending on any membership of further Supervisory Board committees, additional time and effort may be required to participate in and prepare committee meetings;
    - additional extraordinary Supervisory Board and/ or committee meetings may be necessary.

As a rule, a member of the Supervisory Board shall not accept more than five supervisory board mandates at listed companies or companies with comparable requirements; anyone who is an executive board member of such a company shall not accept more than two supervisory board mandates at listed companies or companies with comparable requirements. Serving as chair of a supervisory board counts twice. Mandates at companies domiciled abroad shall be considered equivalent to mandates within Germany. A judgment on whether the number of mandates is appropriate should be made on a case-by-case basis, considering the anticipated individual workload.

- **Age limit**
  As a rule, only persons under the age of 75 on the date of election shall be nominated for election as a member of the Supervisory Board.

- **Limit restricting the number of terms on the Supervisory Board**
  Recommendation for election by the Annual Shareholders' Meeting shall take into account the fact that the Supervisory Board has resolved, as a rule, to limit membership on the Supervisory Board to three full terms of office. The Supervisory Board considers it important to regularly exchange its members, while at the same time maintaining continuity within the Board, as long-standing board membership ensures that significant experience and knowledge is acquired and promotes trustful cooperation within the Supervisory Board, and with the Executive Board.

Requirements for the Supervisory Board as a whole

- **Professional diversity**
  - With regard to the composition of the Supervisory Board, care shall be taken to ensure that its members collectively possess the professional skills required to fulfill their duties and that they have knowledge and experience in the business areas that are important for Siemens Energy, in particular those of energy generation, transmission, distribution, and storage. As a group, the members of the Supervisory Board must be familiar with the sector in which the Company operates.
  - In acting in the interests of the Company, the Supervisory Board as a whole shall be able to include the interests of all relevant stakeholders such as employees, customers, investors, and the general public, and actively support organizational and technical change.
  - The Supervisory Board as a whole shall possess expertise in those areas that are considered essential in view of the activities of Siemens Energy, in particular in the areas of strategy, innovation, procurement, manufacturing and production, marketing and sales, research and development, law, in particular corporate governance and compliance, and human resources.
  - Technological competence and an understanding of technology shall further be appropriately represented on the Supervisory Board. With a view to supporting the infrastructure transformation in particular, efforts should be made to ensure that the necessary understanding of the requirements for digitalization and artificial intelligence, as well as software expertise, are represented on the Supervisory Board.
  - Expertise in the sustainability/ ESG issues of importance to the Company shall also be represented on the Supervisory Board; significant topics in this respect include, in particular, decarbonization and climate protection, as well as responsible operations.
  - It must be ensured that the Supervisory Board possesses adequate management and transformation experience. The Supervisory Board shall therefore also include members who have management or supervision experience as senior executives or members of a supervisory board or comparable body at a medium-sized or large company with international operations.
  - The Supervisory Board as a whole must possess the necessary financial competence, especially in the areas of accounting and auditing. At least one member of the Audit Committee must have expertise in the area of accounting and at least one further member of the Audit Committee must have expertise in the area of auditing. The expertise in the area of accounting shall comprise special knowledge of and experience in the application of accounting principles and internal control and risk management systems and the expertise in the area of auditing shall comprise special knowledge of and experience in auditing. Accounting and auditing also include sustainability reporting and the auditing thereof. The Chair of the Audit Committee should have the appropriate expertise in at least one of these two areas.

- **Diversity/ internationality**
  Siemens Energy is an open and innovative company that operates globally with a workforce stemming from numerous countries and a global customer and supplier base. With regard to the composition of the Supervisory Board, attention shall accordingly be paid to achieving sufficient diversity. In particular, this includes diversity in terms of cultural background and differences in educational and professional backgrounds, experience and ways of thinking. Having this in mind, the Supervisory Board shall include an appropriate number of members possessing international experience, so as to ensure that there is intercultural openness and the corresponding understanding, as well as the ability to assess international issues and contexts.

  Diversity also includes a broad age range of the members of the Supervisory Board and the appropriate representation of the genders on the Supervisory Board. Pursuant to the German Stock Corporation Act (AktG), a supervisory board that is subject to codetermination must be made up of at least 30% women and at least 30% men. The Nomination Committee shall include at least one female member.

- **Independence**
  The Supervisory Board shall include an appropriate number of members representing the shareholders who are independent as determined by the shareholder representatives on the Supervisory Board. At least six shareholder representatives shall be independent of the Company and the Executive Board. The Chair of the Supervisory Board and the Chair of the Audit Committee shall be independent. Supervisory Board members shall not be members of governing bodies of significant competitors nor exercise advisory functions at significant competitors and shall not hold a personal relationship with a significant competitor. No more than two former members of the Executive Board of Siemens Energy AG shall belong to the Supervisory Board.

Implementation of the objectives regarding the Supervisory Board's composition as well as the profile of required skills and expertise and the diversity concept for the Supervisory Board; independent Supervisory Board members

In the process of selecting suitable candidates, the Nominating Committee of the Supervisory Board takes into account the objectives regarding the Supervisory Board's composition and the requirements defined in its diversity concept. Most recently, the Supervisory Board and the Nominating Committee have considered the relevant objecttives, including the skills profile and the diversity concept, when proposing the candidates for the election of the shareholder representatives at the 2024 Shareholders' Meeting and are presently considering them in their election proposals for the 2025 Shareholders' Meeting.

When proposing new Supervisory Board members for election by the Shareholders' Meeting, the Nominating Committee of the Supervisory Board will make sure that the candidates have sufficient time to perform their duties.

The Supervisory Board is of the opinion that, with its current composition, it meets the objectives for its composition and fulfills the profile of required skills and expertise as well as the diversity concept.

The Supervisory Board members have the specialist 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 Energy. A considerable number of Supervisory Board members are engaged in international activities and/ or have many years of international experience. Appropriate consideration has been given to diversity in the Supervisory Board. As of September 30, 2024, the Supervisory Board comprised nine women, six of which among the shareholder representatives and three among the employee representatives. That results in a share of 45% female members on the Supervisory Board. Prof. Dr. Veronika Grimm and Geisha Williams are members of the Nominating Committee.

The implementation status is shown in detail in the below qualification matrix.

In the assessment of the Supervisory Board, at least nine of the Supervisory Board members representing the shareholders are independent and there are thus an appropriate number of independent members within the meaning of the Code. These Supervisory Board members are: Dr. Christine Bortenlänger, Prof. Dr. Veronika Grimm, Joe Kaeser, Dr. Hubert Lienhard, Simone Menne, Hildegard Müller, Laurence Mulliez, Sigmar Gabriel and Geisha Williams. The regulation restricting the number of terms on the Supervisory Board is complied with.

Qualification Matrix

on the implementation status of the objectives regarding the Supervisory Board's composition, including the profile of required skills and expertise and the diversity concept

		Joe Kaeser	Robert Kensbock	Dr. Hubert Lienhard	Günter Augustat	Manfred Bäreis	Manuel Bloemers	Dr. Christine Bortenlänger	Dr. Andrea Fehrmann	Dr. Andreas Feldmüller	Nadine Florian
Duration of Membership	Member since	25/09/20	10/11/20	25/09/20	10/11/20	10/11/20	01/09/22	25/09/20	10/11/20	10/11/20	10/11/20
Personal ability	Independence*	✓	n/a	✓	n/a	n/a	n/a	✓	n/a	n/a	n/a
	Age limit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Limit on number of terms	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity / Internationality	Gender	male	male	male	male	male	male	female	female	male	female
	Year of birth	1957	1971	1951	1968	1962	1980	1966	1970	1962	1976
	Nationality	German	German	German	German	German	German	German	German	German	German
	International experience	✓	✓	✓	✓	✓				✓	✓
	Educational background	Business Administration	Technical Drawer	Studies of Chemistry	Chartered Engineer (TU) Energy and process Engineering	High School Diploma, Technician	Chemical Laboratory Technician, Economist	Banker, Certified Economist	Studies of Sociology, Doctorate (Dr. Phil)	Certified Mechanical Engineer, Doctorate (Dr.-Ing.)	Prof. Training as Office Administrator
Professional ability	Important business areas (esp. Energy generation, transmission, distribution, storage)	✓	✓	✓	✓	✓		✓		✓	
	Stakeholder Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Change Management	✓		✓	✓	✓	✓	✓	✓	✓	✓
	Technological competence (incl. software and digitalization)		✓	✓	✓	✓				✓	
	Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Innovation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Supply Chain Management (procurement / manufacturing)		✓	✓	✓	✓				✓	✓
	Marketing and sales	✓		✓	✓	✓		✓		✓	
	Law, esp. Corporate Governance and Compliance	✓	✓[1]	✓	✓[1]	✓[1]	✓[1]	✓	✓[1]	✓[1]	✓[1]
	Human resources (including Leadership Development, Personnel Development, Talent Management)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability, in particular decarbonization, climate protection and responsible operations	✓	✓[2]	✓	✓[2]	✓[2]	✓[2]	✓	✓[2]	✓	✓[2]
	Management resp. transformation experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial competence	Expert accounting	✓									
	Expert auditing	✓						✓			

		Sigmar Gabriel	Prof. Dr. Veronika Grimm	Jürgen Kerner	Simone Menne	Hildegard Müller	Laurence Mulliez	Thomas Pfann	Matthias Rebellius	Cornelia Schau	Geisha Williams
Duration of Membership	Member since	25/09/20	26/02/24	10/11/20	26/02/24	25/09/20	25/09/20	01/09/22	25/09/20	26/02/24	25/09/20
Personal ability	Independence*	✓	✓	n/a	✓	✓	✓	n/a		n/a	✓
	Age limit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Limit on number of terms	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity / Internationality	Gender	male	female	male	female	female	female	male	male	female	female
	Year of birth	1959	1971	1969	1960	1967	1966	1966	1965	1970	1961
	Nationality	German	German	German	German	German	French / UK	German	German / Swiss	German	U.S.
	International experience	✓	✓	✓	✓	✓	✓		✓	✓	✓
	Educational background	Studies of German, Literature, Politics and Sociology	Prof. of Economics	Information Electronics Technician	Certified Economist	Banker, Certified Economist	MBA	Professional Machine Fitter	Chartered Engineer (FH) Electrical Engineering	Technical Drawer	BSc Engineering, Master Business Administration
Professional ability	Important business areas (esp. Energy generation, transmission, distribution, storage)	✓	✓		✓	✓	✓	✓	✓	✓	✓
	Stakeholder Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Change Management		✓	✓	✓	✓	✓		✓		✓
	Technological competence (incl. software and digitalization)		✓		✓			✓	✓	✓	✓
	Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Innovation		✓	✓	✓	✓	✓	✓	✓	✓	✓
	Supply Chain Management (procurement / manufacturing)			✓	✓		✓	✓	✓	✓	
	Marketing and sales					✓	✓		✓		✓
	Law, esp. Corporate Governance and Compliance	✓	✓	✓[1]	✓	✓	✓	✓[1]	✓	✓[1]	
	Human resources (including Leadership Development, Personnel Development, Talent Management)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability, in particular decarbonization, climate protection and responsible operations	✓	✓	✓	✓	✓	✓	✓[2]	✓		✓
	Management resp. transformation experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial competence	Expert accounting				✓		✓				
	Expert auditing				✓		✓				

✓ means that the criterion is met. The statements relating to professional ability are based on the Supervisory Board's self-assessment. A check equals at least "good knowledge" and accordingly the ability to well understand the facts of a matter and to make informed decisions, based on already existing qualification and additional trainings undergone by the Supervisory Board members. On a scale from 1 (highest) to 5 (lowest), this corresponds to a rating of at least 2.

* In accordance with the criteria specified by the German Corporate Governance Code, "n/a" for employee representatives.

[1] Law of co-determination (German Co-Determination Act, Works Constitution Act).

[2] Labor relations and social matters.

Members of the Executive Board and positions held by Executive Board members

In fiscal year 2024, the following members served on the **Executive Board**:

				Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
Name	**Date of birth**	**First appointed**	**Term expires**	**External positions (as of September 30, 2024)**	**Group company positions (as of September 30, 2024)**
Dr.-Ing. Christian Bruch President and Chief Executive Officer	April 7, 1970	May 1, 2020	April 30, 2030	Positions outside Germany: • Lenzing AG, Austria (until May 31, 2024)[1]	Positions outside Germany: • Siemens Gamesa Renewable Energy S.A.U., Spain (Chair, until June 30, 2024)
Karim Ahmed Amin Aly Khalil (called Karim Amin)	July 8, 1977	March 1, 2022	February 28, 2030	-	• Siemens Energy Ltd., Saudi Arabia • Siemens Energy Co. Ltd. China (Company Supervisor, since April 1, 2024) • Siemens Energy W.L.L., Qatar
Maria Ferraro	May 21, 1973	May 1, 2020	November 30, 2027	Positions outside Germany: • Capgemini SE, France[1]	-
Tim Holt	September 1, 1969	April 1, 2020	November 30, 2027	Positions outside Germany: Siemens Ltd., India[1]	-
Anne-Laure Parrical de Chammard (called Anne-Laure de Chammard)	June 8, 1982	November 1, 2022	July 31, 2029	-	• Siemens Energy Co. Ltd., China (Company Supervisor, until March 31, 2024)
Vinod Mohan Philip	August 7, 1974	October 1, 2022	July 31, 2029	-	-

[1] Listed Company

Members of the Supervisory Board and positions held by Supervisory Board members

In fiscal year 2024, the **Supervisory Board** had the following members:

Name	Occupation	Date of birth	Member since	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2024)
Joe Kaeser **Chairman**	Chairman of the Supervisory Board of Siemens Energy AG and Chairman of the Supervisory Board of Daimler Truck Holding AG	June 23, 1957	September 25, 2020	2025[1]	German positions: • Daimler Truck AG, Stuttgart (Chair) • Daimler Truck Holding AG, Stuttgart (Chair)[2] • Siemens Energy Management GmbH, Munich (Chair) Positions outside Germany: • Linde plc., Ireland[2]
Robert Kensbock* **1. Deputy Chairman**	Chairman of the Central Works Council of Siemens Energy Global GmbH & Co. KG	March 13, 1971	November 10, 2020	2029[1]	German positions: • Siemens Energy Management GmbH, Munich (Deputy Chair)
Dr. Hubert Lienhard **2. Deputy Chairman**	Supervisory Board Member of various German enterprises	January 12, 1951	September 25, 2020	2025[1]	German positions: • EnBW Energie Baden-Württemberg AG, Karlsruhe[2] • Heraeus Holding GmbH, Hanau • Kaefer Management SE, Bremen • Siemens Energy Management GmbH, Munich • SMS GmbH, Düsseldorf (until June 30, 2024) • SMS group GmbH, Düsseldorf (until June 30, 2024)
Günter Augustat*	Chairman of the Group Works Council Siemens Energy AG, Member of the Central Works Council Siemens Energy Global GmbH & Co. KG, Chairman of the Works Council Berlin-Huttenstraße	June 1, 1968	November 10, 2020	2029[1]	German positions: • Siemens Energy Management GmbH, Munich
Manfred Bäreis*	Chairman of the Works Council, Siemens Energy Global GmbH & Co. KG	August 24, 1962	November 10, 2020	2029[1]	German positions: • Siemens Energy Management GmbH, Munich
Manuel Bloemers*	Trade Union Secretary at the Managing Board of IG Metall – Branch Office Düsseldorf	July 25, 1980	September 1, 2022	2029[1]	German positions: • Salzgitter AG, Salzgitter[2] • Siemens Energy Management GmbH, Munich
Dr. Christine Bortenlänger	Member of various Supervisory Boards	November 17, 1966	September 25, 2020	2025[1]	German positions: • Covestro AG, Leverkusen[2] • Covestro Deutschland AG, Leverkusen • MTU Aero Engines AG, Munich[2] • Siemens Energy Management GmbH, Munich • TÜV Süd AG, Munich
Dr. Andrea Fehrmann*	Trade Union Secretary, IG Metall Regional Office for Bavaria	June 21, 1970	November 10, 2020	2029[1]	German positions: • Airbus Defence and Space GmbH, Taufkirchen • Siemens AG, Berlin und Munich[2] • Siemens Energy Management GmbH, Munich • Siemens Healthineers AG, Munich (since April 18, 2024)[2]

Name	Occupation	Date of birth	Member since	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2024)
Dr. Andreas Feldmüller*	Expert Community Manager and Chairman of the Central Committee of Spokespersons of Siemens Energy Global GmbH & Co. KG and of the Group Committee of Spokespersons of Siemens Energy AG	April 24, 1962	November 10, 2020	2029[1]	German positions: • Siemens Energy Management GmbH, Munich
Nadine Florian*	Chairwoman of the European Works Council of Siemens Energy, member of the Central Works Council of Siemens Energy Global GmbH & Co. KG and Chairwoman of the Works Council Duisburg	August 23, 1976	November 10, 2020	2029[1]	German positions: • Siemens Energy Management GmbH, Munich
Sigmar Gabriel	Former German Federal Minister, Author, Publicist	September 12, 1959	September 25, 2020	2025[1]	German positions: • Deutsche Bank AG, Frankfurt am Main[2] • Heristo AG, Bad Rothenfelde (Deputy Chair) • Siemens Energy Management GmbH, Munich • Thyssenkrupp Steel Europe AG, Duisburg (until September 15, 2024, Chair)
Prof. Dr. Veronika Grimm	University Professor	September 5, 1971	February 26, 2024	2027[1]	German positions: • Siemens Energy Management GmbH, Munich
Horst Hakelberg*[4]	Chairman of the Central Works Council and Chairman of the Works Council Hamburg of Siemens Gamesa Renewable Energy GmbH & Co. KG	October 4, 1967	November 10, 2020	February 26, 2024	German positions: • Siemens Gamesa Renewable Energy Deutschland GmbH, Bremerhaven (Deputy Chair)
Jürgen Kerner*	Second Chairman of IG Metall	January 22, 1969	November 10, 2020	2029[1]	German positions: • Airbus GmbH, Hamburg • MAN Truck & Bus SE, Munich (Deputy Chair) • Siemens AG, Berlin und Munich[2] • Siemens Energy Management GmbH, Munich • ThyssenKrupp AG, Essen (Deputy Chair)[2] • Traton SE, Munich[2]
Simone Menne	Member of various Supervisory Boards	October 7, 1960	February 26, 2024	2028[1]	German positions: • Deutsche Post AG, Bonn (until May 3, 2024)[2] • Henkel AG & Co. KGaA, Düsseldorf[2] • Siemens Energy Management GmbH, Munich Positions outside Germany: • Johnson Controls International plc, Cork, Ireland[2] • Russell Reynolds Associates Inc., New York, USA
Hildegard Müller	President of the Managing Board of Verband der Automobilindustrie (VDA) e.V.	June 29, 1967	September 25, 2020	2025[1]	German positions: • RAG-Stiftung, Essen • Siemens Energy Management GmbH, Munich • Vonovia SE, Bochum[2]

Name	Occupation	Date of birth	Member since	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2024)
Laurence Mulliez	Chair of the Board of Voltalia SA and Chair of the Board of Globeleq Ltd.	February 6, 1966	September 25, 2020	2025[1]	German positions: • Siemens Energy Management GmbH, Munich Positions outside Germany: • Globeleq Ltd., United Kingdom (Chair) • Morgan Advanced Materials plc, United Kingdom[2] • Voltalia SA, France (Chair)[2]
Thomas Pfann*	Chairman of the Works Council Nuremberg K, Deputy Chairman of the Group Works Council of Siemens Energy AG, Deputy Chairman of the Central Works Council of Siemens Energy Global GmbH & Co. KG	February 1, 1966	September 1, 2022	2029[1]	German positions: • Siemens Energy Management GmbH, Munich
Matthias Rebellius	Member of the Managing Board of Siemens AG and CEO Smart Infrastructure	January 2, 1965	September 25, 2020	2025[1]	German positions: • Siemens Energy Management GmbH, Munich Positions outside Germany: • Arabia Electric Ltd. (Equipment), Saudi Arabia (Deputy Chair)[3] • Siemens Ltd., India[2,3] • Siemens Ltd., Saudi Arabia (Deputy Chair)[3] • Siemens Schweiz AG, Switzerland (Chair)[3] • Siemens W.L.L., Qatar[3]
Cornelia Schau*	Deputy Chair of the Works Council Erlangen of Siemens Energy Global GmbH & Co. KG	May 30, 1970	February 26, 2024	2029[1]	German Positions: • Siemens Energy Management GmbH, Munich
Prof. Dr. Ralf P. Thomas[4]	Chief Financial Officer and Member of the Managing Board of Siemens AG	March 7, 1961	September 25, 2020	February 26, 2024	German positions: • Allianz Versicherungs-Aktiengesellschaft, Munich (since January 1, 2024) • Siemens Energy Management GmbH, Munich • Siemens Healthcare GmbH, Munich (Chair)[3] • Siemens Healthineers AG, Munich (Chair)[2,3] Positions outside Germany: • Siemens Proprietary Limited, South Africa (Chair)[3]
Geisha Jimenez Williams	Independent Board member of various U.S. based companies	July 21, 1961	September 25, 2020	2025[1]	German positions: • Siemens Energy Management GmbH, Munich Positions outside Germany: • Artera Services LLC, U.S.A. • Osmose Utility Services, Inc., U.S.A. (Chair)
Randy Zwirn[4]	Member of the Board of Babcock Power Inc.	February 11, 1954	September 25, 2020	February 26, 2024	German positions: • Siemens Energy Management GmbH, Munich Positions outside Germany: • Babcock Power Inc., U.S.A.

* Supervisory Board member of the employees

1 The term ends at the end of the ordinary Shareholders' Meeting

2 Listed company

3 Group mandate of Siemens AG

4 Information as of the date of departure from the Supervisory Board on February 26, 2024.

4.6 Compensation Report of Siemens Energy AG for fiscal year 2024 pursuant to Section 162 of the German Stock Corporation Act

Munich, December 11, 2024

Dear shareholders,

In fiscal year 2024, the Supervisory Board dealt intensively with the Executive Board's remuneration. Executive Board remuneration is of paramount importance to the Supervisory Board as a key management tool, particularly in such a landmark year as fiscal year 2024. For this reason, a new Compensation Committee was established and began its work in February 2024. The Compensation Committee is dedicated in particular to the compensation system for the Executive Board and its regular review. Draft resolutions prepared by the Compensation Committee form the basis for the Supervisory Board to make the best possible decision on Executive Board compensation, which the Supervisory Board regards as a strategically relevant instrument.

For Siemens Energy, fiscal year 2024 was characterized by record demand for its energy technologies, with which our customers from all regions of the world are combating climate change. Long project durations common in the energy industry have led to an impressive order backlog that has been built up. Accordingly, guarantees for installment payments and performance or warranty bonds are standard instruments in the energy industry. Due to high order backlog and resulting required guarantees, it became necessary to conclude counter-guarantees with the German government at the end of 2023 in order to continue to secure large incoming orders and thus the growth of the Company and jobs for our employees.

The agreed Federal Guarantee obliges the Company to limit Executive Board compensation to fixed compensation. The mandatory waiver by the members of the Executive Board of their variable compensation – and thus the majority of their compensation – results in compensation that is significantly below the market level. This restriction applies as long as Siemens Energy receives the counter-guarantees. The Compensation Committee took this into account when reviewing and adjusting the Executive Board compensation system in fiscal year 2024. In the Supervisory Board's view, it was a crucial objective to ensure continuity on the Executive Board. The Compensation Committee discussed this in detail over an extended period of time and with the involvement of leading legal and remuneration experts and developed an adjusted compensation system that takes into account the obligations of the Federal Guarantee. For the period after the expiry of the counter-guarantees, one-off compensation components were therefore defined, and incentives for stability on the Executive Board were set. A substantial part of this one-off compensation is linked to the company's strategic objectives in the years following the expiry of the Federal Government guarantee and is directly linked to the share price performance. Our goal is to continue on this path together with our current Executive Board, overcoming future challenges together in the interests of the sustainable and long-term development of Siemens Energy.

In the view of the Compensation Committee, no further significant changes to the compensation system are currently required. We will present the adjusted remuneration system to you at the Annual Shareholders' Meeting in February 2025.

As customary, this report provides you with what we consider to be transparent and comprehensive information on the remuneration of the Executive Board and Supervisory Board. Like the entire Supervisory Board, I place great value on the continued exchange with you on this important topic, especially in these challenging times.

For the Compensation Committee of the Supervisory Board.

Hubert Lienhard

Chair of the Compensation Committee

This combined report by the Executive Board and the Supervisory Board is based on the requirements of Section 162 of the German Stock Corporation Act (Aktiengesetz) and recommendations and suggestions in the German Corporate Governance Code. The compensation report includes individualized disclosure of compensation awarded or due to the active members of the Executive Board and active and former members of the Supervisory Board in fiscal year 2024 (October 1, 2023 to September 30, 2024) and fiscal year 2023 (October 1, 2022 to September 30, 2023) as well as other disclosures required by the German Stock Corporation Act. The content of the report was subject to an audit by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich.

The compensation report will be presented for approval to the Annual Shareholders' Meeting in February 2025. The compensation report for fiscal year 2023 was approved by 92.77% by the Annual Shareholders' Meeting on February 26, 2024.

4.6.1 Compensation of the members of the Executive Board

This report explains how the compensation system in effect for the members of the Executive Board since October 1, 2020 was applied in fiscal year 2024. The compensation system was approved by the Annual Shareholders' Meeting of Siemens Energy AG on February 10, 2021 with 96.70% of the votes cast ("Say on Pay"). A full description of the compensation system for the members of the Executive Board can be found in Siemens Energy AG's Notice of Annual Shareholders' Meeting 2021, which is available for download on the Company's internet site. An amended compensation system will be submitted to the 2025 Annual Shareholders' Meeting for approval. The invitation to the 2025 Annual Shareholders' Meeting of Siemens Energy AG, which will be published on the Company's internet site in December 2024, will contain a full description of the amended compensation system.

Each of the Executive Board members in office as of September 30, 2024 receive their compensation based on an employment contract with Siemens Energy AG that runs parallel to their appointment to the Executive Board. Dr.-Ing. Christian Bruch, Maria Ferraro, Anne-Laure de Chammard and Vinod Philip receive their compensation exclusively from Siemens Energy AG. Karim Amin and Tim Holt receive a portion of their compensation from Siemens Energy Group companies. For fiscal year 2024, Karim Amin received approximately 60% of his total target compensation from Siemens Energy LLC (United Arab Emirates), and Tim Holt received around 40% of his total target compensation from Siemens Energy Inc. (United States). Karim Amin received approximately 40% and Tim Holt approximately 60% of their respective total target compensation from Siemens Energy AG. The additional employment relationships with Siemens Energy Group companies thus did not lead to any additional compensation. In accordance with Section 162 para. 1 of the German Stock Corporation Act, the table "Compensation awarded or due fiscal year 2024" discloses the total compensation from all group companies.

Agreement on Federal Guarantee for the financial stabilization of Siemens Energy

In December 2023, the Federal Republic of Germany and Siemens Energy agreed on a Federal Guarantee that partially secures the guarantee facility concluded with a bank consortium to finance the operating business. The conditions of the guarantee include certain restrictions on Executive Board compensation during the utilization of the Federal Guarantee. Accordingly, no member of the Executive Board of Siemens Energy may receive compensation for fiscal years in which one or more guarantees have been issued under the guarantee facility backed by the federal government that exceeds the fixed compensation of this member as of October 1, 2023, subject to any mandatory statutory obligations of the Company to the contrary. The payment of variable compensation for fiscals years prior to October 1, 2023 is excluded from this. Consequently, the members of the Executive Board may not be granted any variable compensation for the period covered by the guarantee ("compensation restrictions"); accordingly, the members of the Executive Board have waived their right vis-à-vis Siemens Energy to receive such compensation components.

Against this background, the Supervisory Board has approved deviations from the current compensation system for the period from October 1, 2023 to September 30, 2024 in accordance with Section 87a para. 2 German Stock Corporation Act, which are necessary due to the compensation restrictions and in the interests of the long-term well-being of the company. The deviations from the current compensation system include the waiver of the variable compensation that had been contractually agreed with the members of the Executive Board for fiscal year 2024 (such that, in contrast to the current compensation system, 100% of the compensation consists of fixed compensation) and the temporary suspension of the Share Ownership Guidelines in fiscal year 2024. In addition, agreements were reached with the members of the Executive Board that grant a one-off compensation for the first fiscal year after the end of the compensation restrictions, subject to conditions precedent. The commitments are subject to the conditions precedent that the compensation restrictions no longer apply and the respective beneficiary is still a member of the Executive Board at this time. Until these conditions are met, the members of the Executive Board have no entitlement to this one-off compensation, and such an entitlement is not earned pro rata temporis. The one-off compensation consists of performance-related and non-performance-related elements and is not provided for in this form in the current compensation system.

In particular, the Supervisory Board believes that the non-performance-related part of the one-off compensation should serve to retain the current members of the Executive Board with their high level of expertise and experience until the end of the remuneration restrictions, although they will have to forgo their variable compensation, which makes up the majority of their regular total remuneration, during this time. The performance-related components are to be granted depending on the achievement of clearly defined performance targets in the first few years after the end of the compensation restrictions. The management of the Company after the end of the Federal Guarantee will be decisive for the long-term success of Siemens Energy, which is why, from the Company's perspective, it is essential to have a close link between the performance-related part of the one-off compensation to be granted at that time and the corporate strategy and handling of the particular challenges arising in the period after the Federal Guarantee.

The amended compensation system to be submitted to the 2025 Annual Shareholders' Meeting for approval will provide for the possibility of granting the one-off compensation described above and explain its individual components in more detail.

Key elements of Executive Board compensation

According to the Supervisory Board, the compensation system for the Executive Board contributes to advancing the business strategy and fosters the sustainable and long-term growth of Siemens Energy.

The structure of the Executive Board's compensation is based on the following principles:

Key principles of Executive Board compensation	
Contribution to the Company's strategy	The compensation system for members of the Executive Board should contribute to implementing the Company's strategy by setting appropriate incentives.
Sustainable orientation of compensation	Within the variable compensation, a substantial portion is determined based on performance measurement over a multi-year period. The focus on sustainability is further strengthened by anchoring performance criteria reflecting environmental, social and governance (ESG) factors in the long-term equity-based compensation.
Focus on industry-specific requirements	Executive Board compensation can be structured to reflect the Company's specific challenges, for example, by way of differentiation in compensation levels based on a specific function, or via the flexibility to adjust relative performance measurement in line with growing business segments.
Alignment of performance and pay	Exceptional performance should be rewarded appropriately in compensation. Performance under the established targets should lead to an appreciable reduction in compensation.
Consideration of Executive Board members' collective and individual performance	The compensation system offers the Supervisory Board the possibility to, on the one hand, consider Executive Board members' individual responsibilities and, on the other hand, their overall performance as a governing body.
Consistency of compensation systems throughout the organization	The compensation system for members of the Executive Board is compatible with compensation systems for the management and employees of the Group.
Appropriateness of compensation	Executive Board members' compensation is appropriate for the market and takes consideration of the Company's size, complexity, and economic situation.

Overview of Executive Board compensation in fiscal year 2024

In light of the utilization of the Federal Guarantee and compensation restrictions associated with it, the members of the Executive Board of Siemens Energy AG have waived their short-term variable compensation (Bonus) and long-term variable compensation (Stock Awards) for fiscal year 2024. Accordingly, no variable remuneration components were granted for this period. In order to make the impact of this measure more understandable, the compensation elements under the compensation system applicable in fiscal year 2024, including the variable compensation components (not granted), are presented below.

Compensation element	Description	Purpose/link to strategy
Fixed components		
Base salary	Twelve monthly installments (exceptions permitted for place of employment outside of Germany)	Market-aligned base pay for carrying out Executive Board responsibilities
Fringe benefits	Benefits such as a company car, subsidies for insurance policies, reimbursement of tax advisory fees and housing and relocation expenses (first time appointment or change of place of employment), including any tax gross-ups covered by the Company	Costs covered up to an appropriate level
Retirement benefits	Pension substitute in the form of an unrestricted cash payment	Allows members to build up an appropriate level of retirement savings on their own while minimizing risks for the Company
Variable components		
Short-term variable compensation (Bonus)	Bonus forfeited for fiscal year 2024	
Long-term variable compensation (Stock Awards)	Grant of Siemens Energy Stock Awards forfeited for fiscal year 2024	
Other		
Share Ownership Guidelines	Suspended for fiscal year 2024	

Criteria for assessing the appropriateness of Executive Board compensation

The review of the appropriateness of Executive Board compensation generally is conducted based on a comparison with German companies of similar size and complexity. As of September 30, 2024, Siemens Energy is a constituent of the DAX index, which comprises 40 of the largest publicly listed German companies. Given its relative positioning on the basis of revenue, number of employees and market capitalization around the median of the DAX, the Supervisory Board believes that this index represents a suitable peer group for Siemens Energy, which serves as the basis for the market assessment of the appropriateness of compensation.

In addition, the Supervisory Board takes account of Executive Board compensation in proportion to compensation for the workforce of Siemens Energy in Germany excluding Siemens Gamesa, including any changes over time. For this vertical comparison, the Supervisory Board determines the ratio of the Executive Board's compensation to the compensation of top executives (Senior Management contract group) and the rest of the workforce (employees covered by the collective bargaining agreement as well as professionals outside of the collective bargaining agreement) in Germany excluding Siemens Gamesa.

Composition of Executive Board compensation for fiscal year 2024

According to the compensation system, Executive Board compensation comprises both fixed and variable components. Target compensation represents the level of compensation that is realized if all targets are met and the price of Siemens Energy's shares remains constant. In the Supervisory Board's view, target compensation thereby sets incentives for strong performance by the Company, the Executive Board as a whole and by each member. Failing to reach targets can lead to a substantial reduction in compensation, as each member of the Executive Board's target compensation is typically comprised of greater than 60% variable compensation.

For fixed compensation as well as short- and long-term variable compensation, the compensation system for the members of the Executive Board defines ranges for each component as a percentage of total target compensation.

Due to the forfeiting of the variable compensation as a result of the utilization of the Federal Guarantee and its associated compensation restrictions, the compensation structure in fiscal year 2024 deviates from these ranges. The short-term variable compensation and the long-term variable compensation therefore each amount to 0% of the total target compensation for fiscal year 2024.

Changes to Executive Board target compensation for fiscal year 2024

In September 2023, the Supervisory Board decided to adjust the base salary of the members of the Executive Board by 3% for fiscal year 2024.

The following table shows the total target compensation of the members of the Executive Board for fiscal year 2024, taking into account their waiver of variable compensation.

Total target compensation Fiscal year 2024		Fixed compensation				Variable compensation			Total
Members of the Executive Board in office as of September 30, 2024	(in k €)	Base salary	Pension substitute	Fringe benefits[1]	Sum	Bonus	Stock Awards	Sum	
Dr.-Ing. Christian Bruch	**Target**	**1,560**	**500**	**61**	**2,121**	**0**	**0**	**0**	**2,121**
	Share (%)	74%	23%	3%	100%	0%	0%	0%	100%
	Minimum	1,560	500	61	2,121	0	0	0	2,121
	Maximum	1,560	500	61	2,121	0	0	0	2,121
Maria Ferraro	**Target**	**834**	**300**	**20**	**1,154**	**0**	**0**	**0**	**1,154**
	Share (%)	72%	26%	2%	100%	0%	0%	0%	100%
	Minimum	834	300	20	1,154	0	0	0	1,154
	Maximum	834	300	20	1,154	0	0	0	1,154
Tim Holt[2]	**Target**	**845**	**272**	**43**	**1,161**	**0**	**0**	**0**	**1,161**
	Share (%)	73%	23%	4%	100%	0%	0%	0%	100%
	Minimum	845	272	43	1,161	0	0	0	1,161
	Maximum	845	272	43	1,161	0	0	0	1,161
Karim Amin[3]	**Target**	**714**	**150**	**218**	**1,082**	**0**	**0**	**0**	**1,082**
	Share (%)	66%	14%	20%	100%	0%	0%	0%	100%
	Minimum	714	150	218	1,082	0	0	0	1,082
	Maximum	714	150	218	1,082	0	0	0	1,082
Anne-Laure de Chammard	**Target**	**680**	**150**	**170**	**1,000**	**0**	**0**	**0**	**1,000**
	Share (%)	68%	15%	17%	100%	0%	0%	0%	100%
	Minimum	680	150	170	1,000	0	0	0	1,000
	Maximum	680	150	170	1,000	0	0	0	1,000
Vinod Philip	**Target**	**680**	**150**	**113**	**942**	**0**	**0**	**0**	**942**
	Share (%)	72%	16%	12%	100%	0%	0%	0%	100%
	Minimum	680	150	113	942	0	0	0	942
	Maximum	680	150	113	942	0	0	0	942

[1] The respective target amounts for fringe benefits equal the value of benefits received in fiscal year 2024.

[2] Beginning with fiscal year 2023, Tim Holt's target compensation is agreed upon in US Dollars. Base salary = US$916,700; Pension Substitute for fiscal year 2024 = US$295,000; Bonus and Siemens Energy Stock Awards were forfeited for fiscal year 2024. Conversion into Euros is conducted for the base salary and fringe benefits using the respective monthly average Euro-US Dollar exchange rate. The Pension Substitute is converted using the average exchange rate during fiscal year 2024 (€1 = US$1.0842). Any contributions to retirement plans that Tim Holt receives as part of his employment with Siemens Energy Inc. are offset against the pension substitute. The value of contributions owed to these retirement plans for fiscal year 2024 amounted to US$189,602 (€174,877 at the average exchange rate during fiscal year 2024 (€1 = US$1.0842).

[3] With exception of base salary paid by Siemens Energy LLC (UAE), Karim Amin's compensation is paid out in Euros. Base salary paid by Siemens Energy LLC (UAE) is paid in UAE Dirham in accordance with local regulations. A correction is performed at the end of the fiscal year to ensure that the compensation paid out in UAE dirhams corresponds to the target compensation in Euros. The average monthly Euro-Dirham exchange rate is applied for conversions.

Limits on individual compensation elements

At the beginning of the fiscal year, the Supervisory Board sets a maximum value in Euro for each compensation element. Base salary and pension substitute are defined as a fixed amount and can therefore not amount to a higher value. Short-term and long-term variable compensation are capped at 150% and 250% of the target value in Euro, respectively. These upper caps do not apply for fiscal year 2024 due to the waiver of variable compensation.

For fringe benefits, the Supervisory Board sets a maximum monetary value – based on a percentage of base salary – at the beginning of the fiscal year for each member of the Executive Board. The Supervisory Board set maximum value of 8% of base salary for fiscal year 2024. According to the compensation system, this limit can be increased, in particular in the event of an Executive Board member having their place of employment outside of Germany.

For Tim Holt and Karim Amin, whose places of employment are in the United States and the United Arab Emirates, respectively, the Supervisory Board increased the maximum value by US$450,000 and €450,000, respectively, to account for additional benefits like tax equalization payments and expenses for tax advisory services, including any tax gross-ups covered by the Company. The maximum value for Anne-Laure de Chammard was increased by €450,000 to account for benefits granted in connection with the maintenance of a second residence. Further, the Supervisory Board approved an increase of the maximum value of benefits for Maria Ferraro by €50,000 to account for benefits granted to her on an individual basis by Siemens AG prior to the Spin-Off of Siemens Energy.

Compliance with maximum compensation as defined by Section 87a German Stock Corporation Act

The Supervisory Board sets a binding annual maximum compensation amount for each member of the Executive Board, in line with Section 87a para. 1 s. 2 No. 1 of the German Stock Corporation Act. The following table shows that the compensation for each member of the Executive Board for fiscal year 2024 is below the applicable maximum compensation. As the long-term variable compensation does not apply due to the utilization of the Federal Guarantee and the associated compensation restrictions, the compensation for fiscal year 2024 cannot be higher than the compensation awarded or due in fiscal year 2024. This ensures compliance with the maximum compensation within the meaning of Section 87a German Stock Corporation Act for fiscal year 2024.

Compliance with maximum compensation as defined under Section 87a of the German Stock Corporation Act for fiscal year 2024 (in k €) Executive Board members in office as of September 30, 2024	Compensation awarded or due FY24		Maximum compensation as defined by Section 87a para. 1 s. 2 No. 1 German Stock Corporation Act
Dr.-Ing. Christian Bruch	2,121	<	9,950
Maria Ferraro	1,154	<	4,950
Tim Holt	1,161	<	4,950
Karim Amin	1,082	<	4,950
Anne-Laure de Chammard	1,000	<	4,950
Vinod Philip	942	<	4,950

Variable compensation elements in fiscal year 2024

Short-term variable compensation (Bonus)

The compensation system envisages that a substantial portion of Executive Board members' compensation is tied to the Siemens Energy Group's annual performance (Bonus). The final payout amount depends on the attainment of financial and non-financial targets. However, the overall payout amount is limited to 150% of the target amount (cap). Targets are divided into three equally-weighted components: two financial performance criteria as well as individual targets, which can be either financial or non-financial in nature. Performance criteria used in prior fiscal years – Profit margin before Special Items and Free cash flow pre-tax (2021: Return on Capital Employed; ROCE) – reflect the short-term financial performance of the Siemens Energy Group.

Due to the forfeiting of variable compensation due to the utilization of the Federal Guarantee and the associated restrictions on compensation, no short-term variable compensation was granted for fiscal year 2024.

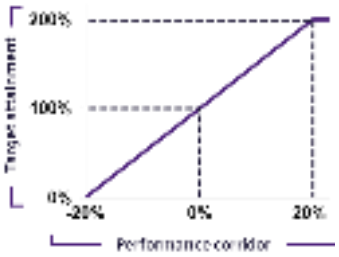
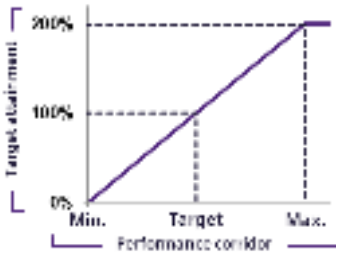
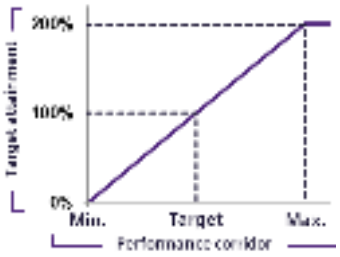
Long-term share-based variable compensation (Siemens Energy Stock Awards)

According to the compensation system, the members of the Executive Board are granted long-term variable compensation at the beginning of a fiscal year in the form of Siemens Energy Stock Awards (Stock Awards Tranche). Each Stock Award confers the right to receive one Siemens Energy share. Stock Awards vest after a period of approximately four years, contingent upon attaining pre-defined performance targets. Due to the compensation restrictions associated with the Federal Guarantee, no regular Stock Awards tranche was allocated for the fiscal year 2024.

Further disclosures on unvested Siemens Energy Stock Awards tranches

For the fiscal years 2021, 2022 and 2023, Stock Awards tranches were granted to the members of the Executive Board who were in office in each of these fiscal years. These are exempt from the compensation restrictions. The number of Stock Awards to be granted is calculated by multiplying the maximum level of target attainment – 200% – by the target amount and then dividing this number by the price of Siemens Energy shares in Xetra trading on the grant date, less estimated discounted dividends during the approximately four-year vesting period ("grant price"). At the end of the vesting period, members of the Executive Board are entitled to receive one Siemens Energy share at no cost for each Stock Award. The final number of Stock Awards is determined by the degree to which the established targets are achieved during the four-year performance period. If the monetary value of the final number of Stock Awards exceeds 250% of the target amount (cap), a corresponding number of Stock Awards for the amount exceeding the cap will be forfeited without replacement. The following strategically relevant performance criteria were employed in the Stock Awards Tranches 2021, 2022 and 2023 compensation:

Siemens Energy Stock Awards Tranches 2021-2023
Performance criteria

Performance criterion	Total Shareholder Return ("TSR")	Earnings per Share ("EPS"), undiluted	Environmental, Social & Governance ("ESG")
Weighting	40 %	40 %	20 %
Target setting	For Siemens Energy and the comparison indices, change in share price plus dividends during the performance period (36 months) is compared to the corresponding average value for the reference period (12 months). The difference in percentage points for Siemens Energy and respective index determines target attainment.	The Supervisory Board defines a 100% target value for the average EPS from continuing operations over the four fiscal years of the vesting period, as well as EPS values representing 0% and 200% target attainment.	Three equally weighted performance criteria for the ESG component are set at the beginning of the Tranche. The Supervisory Board also sets quantitative target values that correspond to a target attainment of 0%, 100% and 200%.
Performance corridor			

The specific target achievement of a Stock Awards tranche is disclosed in the compensation report after four years.

ESG targets each have a weighting of 1/3 within the performance criterion ESG (that is, a weighting within the Stock Awards overall of 6.67% each). The following targets were set by the Supervisory Board for the 2021, 2022 and 2023 Stock Awards tranches:

Siemens Energy Stock Awards – Target setting ESG-performance criteria (all current tranches):			**Target values** (Assessment conducted at the end of the last fiscal year of the vesting period)								
			FY 2024			FY 2025			FY 2026		
Tranche	**Performance criteria**	Baseline value	0%	100%	200%	0%	100%	200%	0%	100%	200%
Tranche 2021	CO_2 Scope 1+2 (kt)[1]	304	252	236	220	-	-	-	-	-	-
Tranche 2022	CO_2 Scope 1+2 (kt)[1]	244	-	-	-	220	195	170	-	-	-
Tranche 2023	CO_2 Scope 1+2 (kt)[1]	181	-	-	-	-	-	-	190	160	130
Tranche 2021	eNPS (points)[2]	(1.9)	0	10	20	-	-	-	-	-	-
Tranche 2022	eNPS (points)[2]	(10.4)	-	-	-	0	5	10	-	-	-
Tranche 2023	Engagement Factor (%)[2]	72%	-	-	-	-	-	-	68%	73%	78%
Tranche 2021	Share of women in management (PC 64-72)[3]	22.4%	22%	25%	28%	-	-	-	-	-	-
Tranche 2022	Share of women in management (PC 63-72)[3]	20.5%	-	-	-	22%	25%	28%	-	-	-
Tranche 2023	Share of women in management (PC 63-72)[3]	21.5%	-	-	-	-	-	-	23%	26%	29%

[1] Target setting for Siemens Energy excluding Siemens Gamesa. These baseline values served as the basis for target setting by the Supervisory Board and may slightly deviate from the figures reported in the Sustainability Report due to delays in CO_2 reporting. In the compensation report for fiscal year 2022, the values under "Baseline value" represented the respective CO_2 emissions including Siemens Gamesa (Tranche 2021: 292 kt; Tranche 2022: 273 kt).

[2] eNPS = Employee Net Promoter Score. Target setting for Siemens Energy excluding Siemens Gamesa.

[3] The relevant population for measuring the share of women in management includes functions defined based on functional value, which is represented by a function's position classes (PC). The population PC 64-72 comprises approximately the 100 highest-rated functions in the former Gas & Power (GP) segment, The population PC 63-72 comprises approximately the 180 highest-rated functions in the Siemens Energy Group, excluding Siemens Gamesa. For Tranche 2022, the population was changed in order to bring the basis for measurement in line with external and internal reporting.

Disclosures on equity-based compensation in fiscal year 2024

The following table shows the Stock Awards "granted", that is, Stock Awards that were contractually granted to members of the Executive Board but are not yet due because of performance and vesting conditions, as well as Siemens Energy shares "awarded", that is, shares transferred to a member of the Executive Board. Because Siemens Energy Stock Awards were granted for the first time in November 2020 (Tranche 2021), the first transfer of Siemens Energy shares will take place in November 2024, conditional upon the performance criteria described above being met. The fair market value at grant is determined according to "IFRS 2 – share-based compensation."

As part of the one-off compensation, Stock Awards were granted to the members of the Executive Board subject to the conditions precedent that the compensation restrictions cease to apply and that they are still members of the Executive Board at that time. The final value of the Stock Awards in turn depends on the achievement of certain performance criteria during a period of two years after the compensation restrictions cease to apply. There is no entitlement to the corresponding Stock Awards prior to the occurrence of the aforementioned conditions precedent, and such an entitlement is not earned pro rata temporis prior to the conditions being fulfilled.

Equity-based compensation granted and awarded FY 2024 Members of the Executive Board in office as of September 30, 2024	**Stock Awards-Tranche**	**Grant date**	**Number of Stock Awards granted[1]**	**Fair Market Value at grant (€)[2]**	**Vesting date[3]**	**Number of shares awarded in FY 2024**	**Value of shares awarded in FY 2024 (€)**	**Number of Stock Awards as of Sept. 30, 2024**
Dr.-Ing. Christian Bruch	2023	Nov. 16, 2022	320,943	2,400,029	Nov. 2026	0	0	320,943
	2022	Nov. 10, 2021	157,120	1,714,965	Nov. 2025	0	0	157,120
	2021	Nov. 10, 2020	194,530	2,554,373	Nov. 2024	0	0	194,530
Maria Ferraro	2023	Nov. 16, 2022	177,938	1,330,629	Nov. 2026	0	0	177,938
	2022	Nov. 10, 2021	78,560	857,482	Nov. 2025	0	0	78,560
	2021	Nov. 10, 2020	97,265	1,277,199	Nov. 2024	0	0	97,265
Tim Holt	2023	Nov. 16, 2022	163,657	1,223,843	Nov. 2026	0	0	163,657
	2022	Nov. 10, 2021	78,560	857,504	Nov. 2025	0	0	78,560
	2021	Nov. 10, 2020	97,265	1,277,199	Nov. 2024	0	0	97,265
Karim Amin	2023	Nov. 16, 2022	132,700	992,364	Nov. 2026	0	0	132,700
	2022	March 1, 2022	51,905	244,738	Nov. 2025	0	0	51,905
Anne-Laure de Chammard	2023	Nov. 16, 2022	121,642	909,647	Nov. 2026	0	0	121,642
Vinod Philip	2023	Nov. 16, 2022	132,700	992,331	Nov. 2026	0	0	132,700

[1] At the beginning of the vesting period of approximately four years, the maximum possible number of Stock Awards are conditionally granted. If target attainment is less than 200%, the number of Stock Awards is adjusted downward accordingly.

[2] To determine the fair market value, target attainment of 200% is assumed for the Total Shareholder Return (TSR) component and 100% target attainment for the Earnings per Share (EPS) and Environmental, Social & Governance (ESG) components. The fair market value at grant is calculated based on the date on which the terms and conditions of the grant were agreed upon. For the Tranche 2023, the relevant date for all members was December 13, 2022. For the Tranche 2022, the relevant date was December 10, 2021 for Dr.-Ing. Christian Bruch, Maria Ferraro and Tim Holt, and for September 20, 2022 for Karim Amin. For Tranche 2021, December 14, 2020 was the relevant date for all members of the Executive Board.

[3] The vesting period of the Stock Awards Tranche 2023 [2022] (2021) ends on the day in November 2026 [2025] (2024) on which the financial results for fiscal year 2026 [2025] (2024) are published.

Malus and clawback rules for variable compensation

In certain cases, the Supervisory Board has the option of withholding (malus) or reclaiming (clawback) the short-term and long-term variable compensation, for example in the event of severe breaches of duty, compliance violations, and (or) severely unethical behavior, or in the event that variable compensation was paid out based on incorrect data.

In its meeting in November 2024, the Supervisory Board determined that it had no indication of circumstances that could lead to the application of malus or clawback rules. Consequently, the Supervisory Board did not make use of its authority to withhold or reclaim variable compensation in fiscal year 2024.

Executive Board compensation levels in fiscal year 2024

Compensation awarded or due

The following table shows the individual compensation awarded or due to the members of the Executive Board within the meaning of Section 162 para. 1 s. 1 of the German Stock Corporation Act.

Compensation awarded comprises the compensation paid for the fiscal year in which the activity on which the compensation is based is performed in full. Compensation owed refers to the compensation that is due in a fiscal year but has not yet been paid. For the compensation system of Siemens Energy AG, this means that the short-term variable compensation paid in January of a year for an activity in the previous fiscal year is already classified as awarded for the previous fiscal year and is therefore reported as compensation for this fiscal year. The pension substitute, which is generally paid in January for the previous fiscal year, is also classified as granted for the previous fiscal year and reported as compensation for this fiscal year.

In the case of long-term variable compensation, any compensation from a tranche of stock awards is earned in full at the end of the approximately four-year vesting period for the tranche, meaning that these shares are regarded as awarded compensation at this time. Compensation awarded or due in fiscal year 2024 is shown as summarized information in the following table as follows:

Compensation awarded or due Members of the Executive Board in office as of September 30, 2024		**Dr.-Ing. Christian Bruch** **President and CEO** (Appointed May 2020)				**Maria Ferraro** **Chief Financial Officer (CFO)** (Appointed May 2020)			
Fiscal year		2023		2024		2023		2024	
		k €	Share (in %)	k €	Share (in %)	k €	Share (in %)	k €	Share (in %)
Fixed compen-sation	Base salary	1,515	45.4	1,560	73.6	810	44.7	834	72.3
	Fringe benefits	54	1.6	61	2.9	23	1.3	20	1.7
	Pension substitute[1]	500	15.0	500	23.5	250	13.8	300	26.0
	Sum	**2,069**	**62.1**	**2,121**	**100**	**1,083**	**59.8**	**1,154**	**100**
Variable compen-sation	**Short-term variable compensation**								
	Bonus	1,265	37.9	0	0.0	729	40.2	0	0.0
	Long-term variable compensation								
	(first transfer Nov. 2024)	-	-	-	-	-	-	-	-
	Sum	**1,265**	**37.9**	**0**	**0.0**	**729**	**40.2**	**0**	**0.0**
	Other compensation		-	-	-	-	-	-	-
	Total compensation	**3,333**	**100**	**2,121**	**100**	**1,812**	**100**	**1,154**	**100**

[1] The Supervisory Board decided to grant Dr.-Ing. Christian Bruch and Maria Ferraro a pension substitute in cash for fiscal year 2023 as well as fiscal year 2024. This is typically paid out in January of the following year.

Compensation awarded or due Members of the Executive Board in office as of September 30, 2024 (*continued*)		Tim Holt Member of the Executive Board (Appointed April 2020)[1]				Karim Amin Member of the Executive Board (Appointed March 2022)			
Fiscal year		2023		2024		2023		2024	
		k €	Share (in %)	k €	Share (in %)	k €	Share (in %)	k €	Share (in %)
Fixed compen-sation	Base salary	833	42.3	845	72.9	693	43.8	714	66.0
	Fringe benefits	48	2.4	43	3.7	60	3.8	218	20.1
	Pension substitute[2]	276	14.0	272	23.4	150	9.5	150	13.9
	Sum	**1,157**	**58.7**	**1,161**	**100**	**903**	**57.0**	**1,082**	**100**
Variable compen-sation	**Short-term variable compensation**								
	Bonus	814	41.3	0	0.0	681	43.0	0	0.0
	Long-term variable compensation[3]								
	(first transfer Nov. 2024)	-	-	-	-	-	-	-	-
	Sum	**814**	**41.3**	**0**	**0.0**	**681**	**43.0**	**0**	**0.0**
	Other compensation	-	-	-	-	-	-	-	-
	Total compensation	**1,971**	**100**	**1,161**	**100**	**1,583**	**100**	**1,082**	**100**

[1] Starting with fiscal year 2023, Tim Holt's target compensation is contractually agreed in US Dollars. Conversion into Euros for disclosure purposes is done for base salary (fiscal year 2024: US$916,700; fiscal year 2023: US$890,000) and fringe benefits (fiscal year 2024: US$46,352; fiscal year 2023: US$51,118) using the respective monthly average Euro-US Dollar exchange rate.

[2] The Supervisory Board decided for fiscal year 2024 and for fiscal year 2023 to grant Tim Holt and Karim Amin a pension substitute in cash. This is typically paid out in January of the following year. Tim Holt accrued the right to receive contributions to retirement plans in connection with his Group employment as Chairman of Siemens Energy Inc. (USA) amounting to US$189,602 (€174,877) for fiscal year 2024 (€1 = US$1.0842) and US$181,079 (€169,614) for fiscal year 2023 (€1 = US$1.0676). Contributions to US retirement plans were subtracted from the pension substitute granted (US$295,000), such that the difference of US$105,398 (€97,213) will be paid out for fiscal year 2024 and US$113,921 (€106,707) was paid out for fiscal year 2023.

[3] In October 2023, Karim Amin received 3,838 Siemens Energy shares with a value at the time of €46,574 resulting from a grant he received in September 2020 under the Building Siemens Energy Incentive, an incentive plan that was granted to selected senior managers of the Company. Members of the Executive Board in September 2020 did not participate in the Building Siemens Energy Incentive.

Compensation awarded or due Members of the Executive Board in office as of September 30, 2024 (*continued*)		Anne-Laure de Chammard Member of the Executive Board (Appointed November 2022)[1]				Vinod Philip Member of the Executive Board (Appointed October 2022)			
Fiscal year		2023		2024		2023		2024	
		k €	Share (in %)	k €	Share (in %)	k €	Share (in %)	k €	Share (in %)
Fixed compen-sation	Base salary	605	17.8	680	68.0	660	46.2	680	72.1
	Fringe benefits[1]	119	3.5	170	17.0	42	2.9	113	11.9
	Pension substitute[2]	138	4.0	150	15.0	150	10.5	150	15.9
	Sum	**861**	**25.3**	**1,000**	**100**	**852**	**59.6**	**942**	**100**
Variable compen-sation	**Short-term variable compensation**								
	Bonus	672	19.7	0	0.0	577	40.4	0	0.0
	Long-term variable compensation[3]								
	(first transfer Nov. 2024)	-	-	-	-	-	-	-	-
	Sum	**672**	**19.7**	**0**	**0.0**	**577**	**40.4**	**0**	**0.0**
	Other compensation[4]	1,872	55.0	-	-	-	-	-	-
	Total compensation	**3,405**	**100**	**1,000**	**100**	**1,429**	**100**	**942**	**100**

[1] For Anne-Laure de Chammard, fringe benefits include reimbursement of moving expenses, expenses in connection with maintaining a second residence at her place of employment and the reimbursement of trips home. For Vinod Philip, the values shown for the 2024 fiscal year include the value of security installations in his home, including taxes assumed by the company, which were arranged by the company in accordance with Siemens Energy's current security policy. The value of these installations, including taxes assumed by the Company, is not subject to the upper limit for the monetary value of fringe benefits set at the beginning of the fiscal year. For fiscal year 2024, the monetary value of the security installations amounted to €75,821.

[2] The Supervisory Board decided for fiscal year 2024 and for fiscal year 2023 to grant Anne-Laure de Chammard and Vinod Philip a pension substitute in cash. This is typically paid out in January of the following year.

[3] In October 2023, Vinod Philip received 3,396 Siemens Energy shares with a value at the time of €41,210 resulting from a grant he received in September 2020 under the Building Siemens Energy Incentive, an incentive plan that was granted to selected senior managers of the Company. Members of the Executive Board in September 2020 did not participate in the Building Siemens Energy Incentive.

[4] To compensate for forfeited remuneration entitlements from her former employer, Anne-Laure de Chammard was granted a compensatory payment at the beginning of her appointment amounting to €1,872,064. Anne-Laure de Chammard contractually agreed to immediately invest the entire net proceeds from this compensatory payment in Siemens Energy shares. On December 12, 2022, Anne-Laure de Chammard conducted this investment by purchasing 58,850 Siemens Energy shares at an average price of €16.75.

Additional disclosures on Executive Board compensation in fiscal year 2024

Retirement benefits

For fiscal year 2024, the Supervisory Board elected to make use of its option to grant the members of the Executive Board an unrestricted cash payment ("pension substitute"). Alternatively, the compensation system provides the option for the members of the Executive Board to participate in the Company's pension plan ("BSAV"), under which the Company can grant contributions – defined as a fixed amount in Euro – to a member's pension account.

Maria Ferraro has a pension commitment under the BSAV that was transferred from Siemens AG to Siemens Energy in connection with the Company's Spin-Off. The Company has not made any contributions to Maria Ferraro's pension account since it was transferred. Entitlement to BSAV arises on application on reaching the age of 62. Payment is generally made in twelve annual installments; a different number of installments, a lump sum or an annuity are possible on application. Her pension account is credited with an annual interest payment (guaranteed interest) on January 1st of each year. The guaranteed interest rate is currently 0.25%.

As of September 30, 2024, the defined benefit obligation for Maria Ferraro's pension obligation according to IFRS amounted to €0.2 million.

Share Ownership Guidelines

According to Siemens Energy's Share Ownership Guidelines, members of the Executive Board are required to hold Siemens Energy shares equal in value to a multiple of their base salary – 300% for the President and CEO and 200% for all other members. Base salary is defined as the respective member's annual base salary for the month of September preceding the respective measurement date. Members of the Executive Board are allowed a build-up phase of approximately 4.5 years in order to acquire the required number of shares. If the value of the acquired shares falls below the holding requirement due to fluctuations in Siemens Energy's share price, the members of the Executive Board must purchase additional shares.

For the duration of the compensation restrictions, the obligation of the members of the Executive Board under the Share Ownership Guidelines is suspended. The first review of compliance with the Share Ownership Guidelines will therefore take place at the earliest at the beginning of the third quarter after the end of the compensation restrictions.

Commitments in connection with early termination of the Executive Board mandate

If an Executive Board member leaves the Executive Board during the fiscal year, the Bonus is paid out on a pro-rata basis on the regular payout date. The number of Stock Awards granted at the beginning of the fiscal year in which the member of the Executive Board exits is reduced on a pro-rata basis. Depending on the circumstances of the departure from the Executive Board, unvested Stock Award grants can remain in place, be forfeited without replacement or be settled in cash.

A severance payment is typically made in the event of mutually agreed termination without good cause. In line with the recommendations of the German Corporate Governance Code, this payment is limited to two years of annual compensation or the remaining value of the contract ("severance cap"). The severance payment will be calculated based on the monthly base salary (pre-tax) and one twelfth of the actual short-term variable compensation received in the last fiscal year before termination and the granted long-term variable compensation, each multiplied by the total number of months between the early termination by mutual agreement and end of the remaining term of the contract, at most 24 months. In-kind compensation will be settled by payment of an amount equal to 5% of the severance payment. A one-time payment to compensate for the pension substitute will be provided at the point that the appointment ends by mutual agreement. The amount of the special contribution is calculated based on one twelfth of the pension substitute granted in the last fiscal year before the end of the appointment, multiplied by the total number of number of months between the early termination by mutual agreement and end of the remaining term of the contract, at most 24 months (cap).

Executive Board members' employment contracts do not include any post-contractual non-competition clause and therefore also do not foresee any compensation for this case. If a post-contractual non-compete clause is agreed on, the compensation payment will be offset against the non-compete compensation.

There are no special provisions for the event that a change of control event occurs, that is, neither special rights to terminate the contract nor severance payments.

Preview of Executive Board compensation for fiscal year 2025

The Federal Guarantee will continue to be utilized by Siemens Energy in fiscal year 2025. The terms of the guarantee and the associated compensation restrictions for the Executive Board will therefore continue to apply. Against this background, the Supervisory Board of Siemens Energy approved an adjusted compensation system in fiscal year 2024, which takes into account the special situation under the guarantee's restrictions and consequently does not provide for a grant of variable compensation for the members of the Executive Board for the period of the compensation restrictions. After the end of the compensation restrictions, the members of the Executive Board will again be granted variable compensation components, as well as a one-off compensation consisting of non-performance-related and performance-related components. The members of the Executive Board are to be incentivized to continue their activities as members of the Company's Executive Board in the medium to long term and thus make a contribution to the further development of the Company.

The adjusted compensation system will be submitted to the 2025 Annual Shareholders' Meeting for approval and is to enter into force retroactively as of October 1, 2024. Details of the structure of the adjusted compensation system can be found in the invitation to the 2025 Annual Shareholders' Meeting.

Supervisory Board compensation

The compensation of the Supervisory Board is set by Section 12 of the Company's Articles of Association and was confirmed by the Annual Shareholders' Meeting on February 26, 2024 with 99.4% of the votes cast. Supervisory Board compensation consists solely of fixed compensation and reflects the level of responsibility and scope of activities required of members. The Chairman, Deputy Chairmen, as well as the Chair and Members of the Presiding Committee, Audit Committee, Compensation Committee as well as the Sustainability and Finance Committee receive additional compensation. Members of the Related Party Transactions Committee, which was dissolved as of September 30, 2023, also received additional compensation for fiscal year 2023. For participation in Supervisory Board meetings and committee meetings, each member receives €1,500 per meeting but no more than €3,000 per day in case more than one of such meetings is held on the same day. Members of the Siemens Gamesa Special Committee do not receive any compensation for belonging to the committee but are paid attendance fees for participating in committee meetings.

Members of the Supervisory Board and (or) its committees who have held office for less than a full fiscal year receive their compensation on a pro-rata temporis basis. Members of the Supervisory Board are reimbursed for expenses incurred in the course of performing their duties, including any taxes applicable on those expenses. The Chairman of the Supervisory Board is also provided an office with administrative support.

Compensation of members of Supervisory Board and committees

Fixed compensation of the Supervisory Board

Chair	Deputy Chairs	Member
€240,000	€180,000	€120,000

Additional compensation for committee work*

Audit Committee		Presiding Committee		Compensation Committee**		Sustainability and Finance Committee	
Chair	Member	Chair	Member	Chair	Member	Chair	Member
€120,000	€60,000	€120,000	€60,000	€70,000	€40,000	€70,000	€40,000

* Members of the Special Committee Siemens Gamesa do not receive compensation for their work on that committee.
** Formed with effect from February 26, 2024.

Compensation awarded comprises the compensation paid for the fiscal year in which the activity on which the compensation is based is performed in full. Compensation due refers to the compensation that is due in a fiscal year but has not yet been paid. The members of the Supervisory Board received the following compensation for fiscal years 2024 and 2023:

Compensation awarded or due

Supervisory Board members in office as of September 30, 2024		Base compensation		Committee compensation		Attendance fees		Sum
	FY	In €	Share (in %)	In €	Share (in %)	In €	Share (in %)	In €
Joe Kaeser (Chair)	2024	240,000	44.8	241,667	45.1	54,000	10.1	535,667
	2023	240,000	45.6	250,000	47.5	36,000	6.8	526,000
Robert Kensbock[1] (1st Deputy Chair)	2024	180,000	42.2	186,667	43.8	60,000	14.0	426,667
	2023	180,000	43.0	200,000	47.7	39,000	9.3	419,000
Dr. Hubert Lienhard (2nd Deputy Chair)	2024	180,000	46.2	146,667	37.6	63,000	16.2	389,667
	2023	180,000	57.0	100,000	31.6	36,000	11.4	316,000
Günter Augustat[1]	2024	120,000	66.9	40,000	22.2	19,500	10.9	179,500
	2023	120,000	69.2	40,000	23.1	13,500	7.8	173,500
Manfred Bäreis[1]	2024	120,000	59.7	60,000	29.9	21,000	10.4	201,000
	2023	120,000	60.2	60,000	30.1	19,500	9.8	199,500
Manuel Bloemers[1]	2024	120,000	71.6	26,667	15.9	21,000	12.5	167,667
	2023	120,000	93.0	0	0	9,000	7.0	129,000
Dr. Christine Maria Bortenlänger	2024	120,000	51.0	86,667	36.9	28,500	12.1	235,167
	2023	120,000	49.8	100,000	41.5	21,000	8.7	241,000
Dr. Andrea Fehrmann[1]	2024	120,000	59.7	60,000	29.9	21,000	10.4	201,000
	2023	120,000	60.2	60,000	30.1	19,500	9.8	199,500
Dr. Andreas Feldmüller	2024	120,000	71.6	26,667	15.9	21,000	12.5	167,667
	2023	120,000	70.4	40,000	23.5	10,500	6.2	170,500
Nadine Florian[1]	2024	120,000	55.9	60,000	28.0	34,500	16.1	214,500
	2023	120,000	58.0	60,000	29.0	27,000	13.0	207,000
Sigmar Gabriel	2024	120,000	74.9	26,667	16.6	13,500	8.4	160,167
	2023	120,000	70.4	40,000	23.5	10,500	6.2	170,500
Prof. Dr. Veronika Grimm (since Feb 2024)	2024	80,000	87.0	0	0.0	12,000	13.0	92,000
Jürgen Kerner[1]	2024	120,000	45.5	100,000	38.0	43,500	16.5	263,500
	2023	120,000	46.9	100,000	39.1	36,000	14.1	256,000
Simone Menne (since Feb 2024)	2024	80,000	61.3	40,000	30.7	10,500	8.0	130,500
Hildegard Müller	2024	120,000	68.0	40,000	22.7	16,500	9.3	176,500
	2023	120,000	59.9	70,000	34.9	10,500	5.2	200,500
Laurence Mulliez	2024	120,000	44.7	120,000	44.7	28,500	10.6	268,500
	2023	120,000	44.9	120,000	44.9	27,000	10.1	267,000
Thomas Pfann[1]	2024	120,000	66.9	40,000	22.3	19,500	10.9	179,500
	2023	120,000	69.8	40,000	23.3	12,000	7.0	172,000
Matthias Rebellius	2024	120,000	73.3	16,667	10.2	27,000	16.5	163,667
	2023	120,000	66.9	40,000	22.3	19,500	10.9	179,500
Cornelia Schau[1,2] (since Feb 2024)	2024	80,000	91.4	0	0.0	7,500	8.6	87,500
Geisha Jimenez Williams	2024	120.000	64.2	40,000	21.4	27,000	14.4	187,000
	2023	120,000	69.2	40,000	23.1	13,500	7.8	173,500

Supervisory Board members who left in fiscal year 2024								
Horst Hakelberg[1] (until Feb 2024)	2024	50,000	80.6	0	0	12,000	19.4	62,000
	2023	120,000	67.4	40,000	22.5	18,000	10.1	178,000
Prof. Dr. Ralf P. Thomas (until Feb 2024)	2024	50,000	58.5	25,000	29.2	10,500	12.3	85,500
	2023	120,000	59.7	60,000	29.9	21,000	10.4	201,000
Randy Zwirn (until Feb 2024)	2024	50,000	80.6	0	0	12,000	19.4	62,000
	2023	120,000	88.9	0	0	15,000	11.1	135,000
Sum	**2024**	**2,670,000**	57.6	**1,383,333**	29.8	**583,500**	12.6	**4,636,833**
	2023	2,640,000	58.5	1,460,000	32.3	414,000	9.2	4,514,000

[1] These employee representatives on the Supervisory Board as well as representatives of the labor unions on the Supervisory Board have elected to transfer their compensation to the Hans Boeckler Foundation, in line with the guidelines of the Confederation of German Trade Unions.

[2] This employee representative was appointed to the Supervisory Board of Siemens Energy AG with effect from February 26, 2024. Her base compensation for fiscal year 2024 is determined on a pro-rata temporis basis, rounded up to the next full month (fiscal year 2024 = 8/12 months).

4.6.2 Other

The Company provides a directors' and officers' liability group insurance policy for Supervisory and Executive Board members and certain other employees of the Siemens Energy Group. The policy is taken out for and renewed one year at a time. It covers the personal liability of the insured individuals in cases of financial loss associated with their activities on behalf the Company. With effect from their appointment as members of the Executive Board, these individuals are subject to a mandatory deductible that complies with the requirements of the German Stock Corporation Act.

4.6.3 Comparative presentation

In accordance with Section 162 para. 1 s. 2 No. 2 of the German Stock Corporation Act, the following table shows the change in compensation for members of the Executive Board and members of the Supervisory Board in comparison to the workforce in Germany on a full-time equivalent basis. Further, change over time in the Company's financial performance is reported on the basis of two performance criteria that are used for managing the Group. The comparative presentation is affected for fiscal year 2020 by exceptional effects in connection with the Spin-Off of Siemens Energy from the Siemens Group. None of the members of the Executive Board were in office for the entirety of fiscal year 2020, but rather Dr.-Ing. Christian Bruch, Maria Ferraro, Dr.-Ing. Jochen Eickholt and Tim Holt were appointed with effect from April 1, 2020 or May 1, 2020.

The members of the Supervisory Board who received compensation for fiscal year 2020 were appointed with effect from September 25, 2020 and thus received base compensation and compensation for work on board committees on a pro-rata temporis basis, rounded up to the next full month. In order to ensure comparability between fiscal years 2020 and 2021 and with compensation paid to the workforce in Germany, the compensation awarded or due to the members of the Executive and Supervisory for fiscal year 2020 was extrapolated for the full year. Only two Supervisory Board committees were constituted in fiscal year 2020, the Presiding Committee and the Audit Committee. As a result, compensation for the members of the Sustainability and Finance Committee and the Related Party Transaction Committee (dissolved as of September 30, 2023) – which were constituted on December 3, 2020 – increased in fiscal year 2021 solely due to their work on committees that had not yet been formed in fiscal year 2020. Part of the increase in compensation for the fiscal year 2022 is also due to the fact that the committees were active for the entire fiscal year. No adjustments were made to the Supervisory Board compensation laid out in Section 12 of the Company's Articles of Association.

Comparative presentation – Change in the compensation of the members of governing bodies, the average compensation of employees and the profit situation of the Company[1]

		In Tsd. €	2020	2021	In %	2022	In %	2023	In %	2024	In %
Compensation comparison	Executive Board members in office as of September 30, 2024 [2]	Dr.-Ing. Christian Bruch (President & CEO)[3]	3,311	3.418	3%	3,524	3%	3,333	(5)%	2,121	(36)%
		Maria Ferraro	1,646	1,671	1%	1,720	3%	1,812	5%	1,154	(36)%
		Tim Holt	1,426	1,610	13%	1,901	18%	1,971	4%	1,161	(41)%
		Karim Amin	-	-	-	892	-	1,583	77%	1,082	(32)%
		Anne-Laure de Chammard	-	-	-	-	-	3,405	-	1,000	(71)%
		Vinod Philip	-	-	-	-	-	1,429	-	942	(34)%
	EB member who left in FY22	Dr.-Ing. Jochen Eickholt	1,607	1,715	7%	2,112	23%	-	-	-	-
	Supervisory Board members in office as of September 30, 2024[4]	Joe Kaeser (Chair)	438	508	16%	535	5%	526	(2)%	536	2%
		Robert Kensbock (1st Deputy Chair).	-	357	-	427	19%	419	(2)%	427	2%
		Dr. Hubert Lienhard (2nd Deputy Chair)	258	299	16 %	318	6%	316	0%	390	23%
		Günter Augustat	-	154	-	177	15%	174	(2)%	180	3%
		Manfred Bäreis	-	175	-	201	15%	200	(1)%	201	1%
		Manuel Bloemers	-	-	-	12	-	129	1.022%	168	30%
		Dr. Christine Maria Bortenlänger	198	234	18%	243	3%	241	(1)%	235	(2)%
		Dr. Andrea Fehrmann	-	175	-	201	15%	200	(1)%	201	1%
		Dr. Andreas Feldmüller	-	154	-	172	12%	171	(1)%	168	(2)%
		Nadine Florian	-	175	-	201	15%	207	3 %	215	4%
		Sigmar Gabriel	138	165	20%	172	4%	171	(1)%	160	(6)%
		Prof. Dr. Veronika Grimm	-	-	-	-	-	-	-	92	-
		Jürgen Kerner	-	213	-	255	20%	256	1%	264	3%
		Simone Menne	-	-	-	-	-	-	-	131	-
		Hildegard Müller	138	190	38%	202	6%	201	(1)%	177	(12)%
		Laurence Mulliez	198	200	1%	251	26%	267	6%	269	1%
		Thomas Pfann	-	-	-	15	-	172	1.060%	180	4%
		Matthias Rebellius	138	165	20%	175	6%	180	3%	164	(9)%
		Cornelia Schau	-	-	-	-	-	-	-	88	-
		Geisha Jimenez Williams	138	168	22%	177	5%	174	(2)%	187	8%
	SB members who left in FY24	Horst Hakelberg	-	154	-	172	12%	178	3%	62	(65)%
		Prof. Dr. Ralf P. Thomas	258	261	1%	216	(17)%	201	(7)%	86	(57)%
		Randy Zwirn	138	131	(5)%	131	0%	135	3%	62	(54)%
	SB members who left in FY22	Rüdiger Groß	-	152	-	160	5%	-	-	-	-
		Hagen Reimer	-	119	-	119	0%	-	-	-	-
	Workforce[5]	Total workforce in Germany – Excl. SG	100	104	4%	107	3%	111	4%	-	-
		Total workforce in Germany – Incl. SG	-	-	-	-	-	109	-	116	6%
Development of the Company's profit situation	Siemens Energy AG: Net profit (in millions of €)[6]		200	172	(28)	(6)	(177)	48	53	89	41
	Siemens Energy Group: Profit margin before Special Items[7]		(0.1)%	2.3%	2.4 PP	1.3%	(1.0) PP	(8.9)%	(10.2) PP	1.0%	9.9 PP
	Siemens Energy Group: Undiluted Earnings per Share (EPS; in €)		(2.21)	(0.63)	1.58	(0.65)	(0.02)	(5.47)	(4.82)	1.37	6.84

[1] Due to the Spin-Off of the Siemens Energy Group from Siemens AG on September 25, 2020, the change over time is only shown beginning with fiscal year 2020.

[2] To ensure comparability with compensation awarded or due to the members of the Executive Board in fiscal year 2020, two compensation elements in connection with the mid-year appointment of the members of the Executive Board in April/ May 2020 and with the Spin-Off of Siemens Energy from the Siemens Group in September 2020 are not included in the compensation awarded or due in fiscal year 2020 disclosed above. First, Maria Ferraro, Dr.-Ing. Jochen Eickholt and Tim Holt received grants of Siemens Stock Awards at the beginning of fiscal year 2020 as part of their functions at the time within the Siemens Group. These grants were – along with all other Siemens equity awards for employees of Siemens Energy and in accordance with the applicable plan rules for Siemens Stock Awards – settled in cash following the Spin-Off of Siemens Energy from the Siemens Group. A portion of the value of these cash settlements is attributable to the period in fiscal year 2020 during which the members of the Executive Board were in office: for Maria Ferraro this amounted to €151,087, for Dr.-Ing Jochen Eickholt €205,162 and for Tim Holt €254,684. Further, the members of the Executive Board received cash payments in fiscal year 2020 in lieu of (additional) grants of Siemens Stock Awards. For the partial term of office in fiscal year 2020, this payment amounted to €800,000 for Dr.-Ing. Christian Bruch, €251,668 for Maria Ferraro, €271,908 for Dr.-Ing. Jochen Eickholt and €230,000 for Tim Holt. If the cash settlements for Siemens Stock Awards and the cash payments in lieu of (additional) Siemens Stock Awards grants are included, compensation awarded or due in fiscal year 2020 – adjusted to a full-year basis – would amount to €5.2 million for Dr.-Ing. Christian Bruch (Δ fiscal year 2021 = -35%), €2.6 million for Maria Ferraro (Δ fiscal year 2021 = -35%), €2.4 million for Dr.-Ing. Jochen Eickholt (Δ fiscal year 2021 = -28%) and €2.4 million for Tim Holt (Δ fiscal year 2021 = -33%).

[3] In fiscal year 2020, Dr.-Ing. Christian Bruch was awarded a compensatory payment in the amount of €3.2 million for forfeited compensation claims with his previous employer. A corresponding adjustment was made to Dr.-Ing. Christian Bruch's compensation awarded or due for fiscal year 2020. If the compensatory payment is considered, Dr.-Ing. Christian Bruch's compensation in fiscal year 2020 on a full-year basis amounts to €6.5 million. From this baseline, compensation for Dr.-Ing. Christian Bruch in fiscal year 2021 fell by 48%.

[4] Shareholder representatives were appointed as members of the Supervisory Board of Siemens Energy AG via resolution of the Extraordinary Shareholders' Meeting on August 20, 2020 with effect from September 25, 2020. Manuel Bloemers and Thomas Pfann, who are employee representatives, were appointed to the Supervisory Board of Siemens Energy AG by a resolution of the Munich District Court on August 2, 2022, effective from September 1, 2022. Employee representative Cornelia Schau was appointed as a member of the Supervisory Board of Siemens Energy AG with effect from February 26, 2024. Their base compensation for fiscal year 2022 and fiscal year 2024, respectively, is determined on a pro-rata temporis basis, rounded up to the next full month (fiscal year 2022 = 1/12 months, fiscal year 2024 = 8/12 months). The remaining employee representatives were appointed to the Supervisory Board of Siemens Energy AG effective November 10, 2020.

[5] From fiscal year 2023, the disclosed total workforce in Germany comprises employees (full time equivalent as of September 30 of the fiscal year) of Siemens Energy including the Siemens Gamesa Germany (fiscal year 2024: 25,644, fiscal year 2023: 25,073). Until fiscal year 2023, the disclosed total workforce employees of Siemens Energy excluding Siemens Gamesa in Germany (fiscal year 2023: 21,921; fiscal year 2022: 21,882; fiscal year 2021: 22,424). This figure excludes interns, working students, doctoral students and trainees. Compensation for the workforce is calculated based on personnel expenses recorded for the fiscal year, less expenses for the Executive Board's compensation. In order to maintain comparability with compensation for the Executive and Supervisory Boards, the disclosed average compensation of the workforce consists of the following elements: wages and salaries, variable compensation elements, capital accumulation benefits, one-off payments, specific allocations, employer contributions to social insurance plans, statutory accident insurance, employer allowance for health and long-term care insurance for privately insured and voluntarily publicly insured individuals, employer contributions to the public pension system, as well as expenses for shares that were transferred to employees as part of the Direct Match Program, an employee share purchase plan. One-off Stock Awards and share awards to managers and employees under special share-based compensation programs in connection with the Spin-Off of Siemens Energy from the Siemens Group granted in fiscal year 2021 are not included since the Executive Board did not receive any similar payments or equity grants. If these programs were considered, the average compensation for the workforce in Germany for fiscal year 2021 would be €1,984 higher than disclosed above. No such awards were granted in fiscal years 2022, 2023 and 2024.

[6] Percentage change of the net profit of Siemens Energy AG: Fiscal year 2021: (14)%; fiscal year 2022: (103)%; fiscal year 2023: 896%; fiscal year 2024: 87%.

[7] Fiscal years 2020-2022: Adjusted EBITA Margin before Special Items.

Siemens Energy AG

The Executive Board

The Supervisory Board

4.7 Independent auditor's report on the audit of the compensation report prepared to comply with Section. 162 AktG ["Aktiengesetz": German Stock Corporation Act]

To Siemens Energy AG, Munich

Report on the audit of the compensation report

We have audited the attached compensation report of Siemens Energy AG, Munich, for the financial year from October 1, 2023 to September 30, 2024, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the management and the supervisory board

The management and the Supervisory Board of Siemens Energy AG are responsible for the preparation of the compensation report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the compensation report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the compensation report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the compensation report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the compensation report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the compensation report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the financial year from October 1, 2023 to September 30, 2024, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal audit of the compensation report

The substantive audit of the compensation report described in this independent auditor's report includes the formal examination of the compensation report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the compensation report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the compensation report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Siemens Energy AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on January 1, 2024. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Munich, December 11, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German Version signed by:]

Dr. Dietz	Schmitt
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

4.8 TCFD Index

We are following the recommendations developed by the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) to provide transparency about our climate actions, especially how we address the risks and opportunities arising from climate change. The TCFD Index connects our publicly available publications with the corresponding TCFD disclosure recommendations. The referenced documents are the latest versions available on www.siemens-energy.com as of the date of issue of the TCFD Index and included in Siemens Energy's Annual Report 2024 and Sustainability Report 2024 available in English.

TCFD core elements	TCFD disclosure recommendations	TCFD disclosure	References containing information and data representing our fiscal year 2024 ending on September 30, 2024	
Governance	Disclose the organization's governance around climate related risks and opportunities.	a. Disclose the board's oversight of climate related risks and opportunities.	**Annual Report 2024:** Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code	**Sustainability Report 2024:** Strategic focus Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Climate Change Governance)
		b. Describe management's role in assessing and managing climate-related risks and opportunities.	**Annual Report 2024:** Risk Management* *(* covering only short-term climate related risks)*	**Sustainability Report 2024:** Strategic focus • Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Climate Change Governance, Management approach to climate-related risks and opportunities)
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**Annual Report 2024:** Risk Management* *(* covering only short-term climate related risks)*	**Sustainability Report 2024:** Strategic Focus Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Table Climate-related Risks and Opportunities)
		b. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	**Annual Report 2024:** Risk Management* *(* covering only short-term climate related risks*	**Sustainability Report 2024:** Strategic focus Decarbonization Customers and innovation Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Table Climate-related Risks and Opportunities)
		c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a two degrees Celsius or lower scenario.		**Sustainability Report 2024:** Decarbonization Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Strategic approach, scenario analysis, business strategy)
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks.	**Annual Report 2024:** Risk Management* *(* covering only short-term climate related risks)*	**Sustainability Report 2024:** Strategic Focus Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Management Approach to Climate Related Risk and Opportunities)
		b. Describe the organization's processes for managing climate-related risks.	**Annual Report 2024:** Risk Management* *(* covering only short-term climate related risks)*	**Sustainability Report 2024:** Decarbonization Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Management Approach to Climate Related Risk and Opportunities)

TCFD core elements	TCFD disclosure recommendations	TCFD disclosure	References containing information and data representing our fiscal year 2024 ending on September 30, 2024	
		c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	**Annual Report 2024:** Risk Management* *(* covering only short-term climate related risks)*	**Sustainability Report 2024:** Strategic focus Decarbonization Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Management Approach to Climate-Related Risk and Opportunities)
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	**Group Non-Financial Statement 2024:** Environmental matters	**Sustainability Report 2024:** Decarbonization Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Strategic approach, scenario analysis, business starategy, Metrics and targets)
		b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**Group Non-Financial Statement 2024:** Environmental matters	**Sustainability Report 2024:** Decarbonization Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Metrics and targets)
		c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**Annual Report 2024:** Compensation Report **Group Non-Financial Statement 2024:** Environmental matters	**Sustainability Report 2024:** Decarbonization • Annex - Task Force on Climate-Related Financial Disclosures (TCFD) (see Metrics and targets)

Published by

Siemens Energy AG
Otto-Hahn-Ring 6

81739 München

Media Relations: press@siemens-energy.com
Investor Relations: investorrelations@siemens-energy.com

siemens-energy.com

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