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:

	Fiscal year	
(in millions of €)	**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:

	Fiscal year	
(in millions of €)	**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:

	Sep 30,	
(in millions of €)	**2024**	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: Reclassifications 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: Reclassifications 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:

	Fiscal year	
(in millions of €)	**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:

	Sep 30,	
Mortality table	**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:

	Sep 30,	
Pension progression	**2024**	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

	Sep 30,	
(in millions of €)	**2024**	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:

	Sep 30,	
(in millions of €)	2024	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	Sep 30, 2024 Total
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	Sep 30, 2023 Total
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:

	Fiscal year	
(in millions of €)	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:

	Fiscal year	
(in millions of €)	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:

	Trade receivables	Contract assets	Trade receivables	Contract assets
(in millions of €)	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	Derivative financial assets Sep 30, 2023	Derivative financial liabilities Sep 30, 2024	Derivative financial liabilities Sep 30, 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	Sep 30, 2024 Liabilities	Sep 30, 2023 Assets	Sep 30, 2023 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	Fiscal year 2024 Average rate	Fiscal year 2024 Average remaining maturity	Fiscal year 2023 Average rate	Fiscal year 2023 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:

		Fiscal year 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 thereafter
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:

	Fiscal year
(in millions of €)	**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	
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	
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	
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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