SIEMENS energy

Half-year Financial Report

for the first half of fiscal year 2021



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About this Report

This Half-year Financial Report contains the Interim Group Management Report and the Half-year Consolidated Financial Statements of Siemens Energy AG and its subsidiaries ("Siemens Energy Group", "Siemens Energy", "the Group", "the Company", "our" or "we") as of March 31, 2021, as well as a Responsibility Statement. It complies with the requirements of Section 115 of the German Securities Trading Act ("Wertpapierhandelsgesetz"). This Half-year Financial Report should be read in conjunction with our Annual Report for fiscal year 2020, which includes a detailed analysis of our operations and activities as well as explanations of financial measures used.

The Half-year Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU).

This document contains statements related to our future business and financial performance and future events or developments involving Siemens Energy, that may constitute forward-looking statements. These statements may be identified by words such as "expect", "look forward to", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will", "project" or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, presentations, material delivered to shareholders and press releases. In addition, our representatives may from time to time make verbal forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens Energy's management, of which many are beyond Siemens Energy's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapters **1.7 Report on expected developments** and **1.8 Report on material risks and opportunities** of the Annual Report, and the corresponding chapters in the Half-year Financial Report. Should one or more of these risks or uncertainties materialize, should acts of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all, or should assumptions prove incorrect, Siemens Energy's actual results, performance, or achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens Energy neither intends, nor assumes any obligation to update or revise these forward-looking statements in light of developments, which differ from those anticipated.

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

Due to rounding, numbers presented throughout this Half-year Financial Report, may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

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

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

1. Interim Group Management Report

1.1 Results of operations

1.1.1 Orders and revenue

Orders and revenue		First half	Orders Change		First half	Revenue Change
(in millions of €)	FY 2021	FY 2020	Actual	FY 2021	FY 2020	Actual
Gas and Power	10,195	10,808	(5.7)%	8,459	9,035	(6.4)%
Siemens Gamesa Renewable Energy	7,781	6,830	13.9%	4,631	4,204	10.1%
Total segments	**17,976**	**17,639**	**1.9%**	**13,090**	**13,239**	**(1.1)%**
Reconciliation to Consolidated Financial Statements	(25)	(43)	(41.8)%	(66)	(86)	(23.8)%
Siemens Energy	**17,951**	**17,596**	**2.0%**	**13,024**	**13,152**	**(1.0)%**

Orders

- Orders of Siemens Energy grew both on a reported and comparable basis. Excluding portfolio and currency translation effects (comparable basis), the increase was 6.6 %. The development of the two segments showed a mixed picture.
- Gas and Power (GP) showed a clear nominal decline of orders, amongst others due to a lower volume from large orders year-over-year. All three businesses reported declines. On a comparable basis, GP's orders were almost at the same level as prior year.
- Orders at Siemens Gamesa Renewable Energy (SGRE) rose significantly, mainly due to a higher volume from large orders. Among them were three contracts with a combined volume of approximately €2.8 billion for offshore wind farms including service in the United Kingdom, the Netherlands and France. The sharp increase in the offshore business more than offset a substantial decline in the service business, the onshore business was almost stable at prior-year's level.
- Book-to-bill ratio was at 1.38. Order backlog amounted to €84.2 billion, compared to €78.6 billion at prior fiscal year-end.
- On a geographic basis, orders rose significantly in the reporting regions **Europe, C.I.S., Africa, Middle East (EMEA)** and clearly in **Americas**, while **Asia, Australia** showed a substantial decline.
- The development in the reporting region **EMEA** was driven by a sharp growth at SGRE, primarily due to the large orders mentioned above, which outweighed, on a nominal basis, the significant decrease at GP.
- The increase in the **Americas** was due to moderate growth at SGRE, in particular due to a sharp rise in the U.S. resulting from a large onshore order, as well as to clear growth at GP resulting from large orders in Canada and Brazil.
- Development in **Asia, Australia** was driven by a sharp decrease at SGRE, which more than offset a clear growth at GP. The high volume from large orders in the first half of the fiscal year 2020 (H1 FY 2020) at SGRE, especially in Taiwan, had no comparable equivalent in the current fiscal year.

Revenue

- Reported nominal revenue decreased slightly. On a comparable basis, revenue increased by 3.7 %. Revenue in the service business moderately decreased year-over-year due to a clear decline at GP.
- GP showed a clear decrease due to declines in all three businesses. Currency translations effects of 4.8 percentage points negatively impacted the development. On a comparable basis, revenue decreased slightly by 1.6 %.
- Revenue at SGRE rose clearly. This growth was driven by a substantial increase in the offshore activities within WTG (wind turbine generator). The service business also contributed clearly to the growth whereas onshore revenue showed a slight decline due to currency translation effects.
- Regional development of revenue followed a different pattern compared to orders: **Asia, Australia** and **EMEA** showed increases while revenue in the **Americas** declined.
- In the reporting region **EMEA**, significant revenue growth at SGRE more than offset a moderate decline at GP.
- Both segments, primarily GP, showed a significant revenue decrease in the **Americas**, which was mainly due to the decline in the U.S.
- In **Asia, Australia**, revenue rose in both segments. Substantial growth at SGRE – due to strong prior-year orders, primarily in Taiwan – exceeded the significant increase at GP.

Orders and revenue (location of customer)		First half	Orders Change		First half	Revenue Change
(in millions of €)	FY 2021	FY 2020	Actual	FY 2021	FY 2020	Actual
Europe, C.I.S., Africa, Middle East	9,736	8,721	11.6%	6,689	6,587	1.6%
therein: Germany	*1,236*	*1,687*	*(26.8)%*	*1,120*	*1,168*	*(4.1)%*
Americas	5,083	4,794	6.0%	3,512	4,227	(16.9)%
therein: U.S.	*2,390*	*2,392*	*(0.1)%*	*2,255*	*2,742*	*(17.7)%*
Asia, Australia	3,133	4,081	(23.2)%	2,823	2,338	20.7%
therein: China	*760*	*875*	*(13.2)%*	*794*	*743*	*6.8%*
Siemens Energy	**17,951**	**17,596**	**2.0%**	**13,024**	**13,152**	**(1.0)%**

1.1.2 Income

	First half		
(in millions of €, earnings per share in €)	FY 2021	FY 2020	Change
Adjusted EBITA Siemens Energy before Special items	**654**	**126**	**>200%**
Gas and Power	*454*	*267*	*70.1%*
Siemens Gamesa Renewable Energy	*231*	*(116)*	*n/a*
Reconciliation to Consolidated Financial Statements	*(31)*	*(24)*	*29.1%*
Adjusted EBITA margin Siemens Energy before Special items	5.0%	1.0%	4.1 p.p.
Gas and Power	*5.4%*	*3.0%*	*2.4 p.p.*
Siemens Gamesa Renewable Energy	*5.0%*	*(2.8)%*	*7.8 p.p.*
Special items (for details see table below)	(214)	(155)	37.9%
Adjusted EBITA Siemens Energy	**439**	**(29)**	**n/a**
Gas and Power	*360*	*225*	*59.8%*
Siemens Gamesa Renewable Energy	*113*	*(226)*	*n/a*
Reconciliation to Consolidated Financial Statements	*(34)*	*(29)*	*17.2%*
Adjusted EBITA margin Siemens Energy	3.4%	(0.2)%	3.6 p.p.
Gas and Power	*4.3%*	*2.5%*	*1.8 p.p.*
Siemens Gamesa Renewable Energy	*2.4%*	*(5.4)%*	*7.8 p.p.*
Amortization of intangible assets acquired in business combinations and goodwill impairments	(194)	(241)	(19.3)%
Financial result	(69)	(80)	(14.5)%
Financial result from operations	27	15	81.9%
Income (loss) before income taxes	**203**	**(335)**	**n/a**
Income tax (expenses)/ gains	(74)	(2)	>200%
Net income (loss)	**130**	**(337)**	**n/a**
Basic earnings per share	0.12	(0.34)	n/a

Adjusted EBITA

- Adjusted EBITA was primarily influenced by operational improvements, a different project mix and lower costs year-over-year. Both segments reported higher results.
- GP sharply increased its Adjusted EBITA and improved profitability. In H1 FY 2021, there were positive one-time effects in connection with a customer settlement and a project termination. GP achieved operational improvements resulting in lower costs and benefited from temporary positive effects. These included effects from hedging transactions and lower discretionary spending.
- SGRE also showed a sharp increase in its Adjusted EBITA, mainly because the prior-year period was impacted by substantial negative effects related to project delays in Northern Europe, COVID-19 and a slowdown in the Indian onshore market. H1 FY 2021 benefited from offshore volume effects, the reversal of warranty provisions associated with a lower rate of product failure, a reassessment of marketability of inventories and lower maintenance costs.

Adjusted EBITA before Special items

- Improvement of Adjusted EBITA before Special items exceeded the improvement of Adjusted EBITA due to substantially higher negative impacts from Special items.
- The increase in Special items was driven by sharply higher restructuring and integration costs. In February 2021, Siemens Energy announced further details regarding the competitiveness program of the GP segment. Impacts are expected on Adjusted EBITA in the second half of FY 2021 while being predominantly reported within Special items. The closure of two SGRE plants in Spain was announced in January 2021.
- Strategic portfolio decisions benefited from a positive one-time effect at GP related to assets previously written-off with regard to our decision to streamline our offering of aeroderivative gas turbines. Costs for a restructuring plan in India consisting in asset impairments, which were reported under strategic portfolio decisions in the prior period at SGRE did not recur in the current period.
- In addition, stand-alone costs (expenses associated with the setup of the stand-alone company) increased sharply year-over-year.

Net Income (Loss), Basic Earnings per Share

- The Group's effective tax rate was 36.2%. Items outside Germany such as the non-recognition of deferred tax assets on losses increased the rate.
- Net income and corresponding basic earnings per share improved sharply and became positive.

Siemens Energy Special items

(in millions of €)	First half FY 2021	First half FY 2020	Change
Restructuring and integration costs	(162)	(99)	62.9%
Gas and Power	*(43)*	*(28)*	*55.5%*
Siemens Gamesa Renewable Energy	*(118)*	*(71)*	*66.1%*
Reconciliation to Consolidated Financial Statements	*(1)*	*(0)*	*n/a*
Stand-alone costs	(73)	(18)	>200%
Gas and Power	*(71)*	*(14)*	*>200%*
Siemens Gamesa Renewable Energy	—	—	*n/a*
Reconciliation to Consolidated Financial Statements	*(2)*	*(4)*	*(50.5)%*
Strategic portfolio decisions	20	(38)	n/a
Gas and Power	*20*	—	*n/a*
Siemens Gamesa Renewable Energy	—	*(38)*	*n/a*
Reconciliation to Consolidated Financial Statements	—	—	*n/a*
Siemens Energy Special items	**(214)**	**(155)**	**37.9%**
Gas and Power	*(93)*	*(41)*	*126.9%*
Siemens Gamesa Renewable Energy	*(118)*	*(110)*	*8.0%*
Reconciliation to Consolidated Financial Statements	*(3)*	*(5)*	*(43.9)%*

1.2 Net assets and financial position

(in millions of €)	Mar 31, 2021	Sep 30, 2020	Change
Total current assets	**23,053**	**22,548**	**2%**
therein: Cash and cash equivalents	4,571	4,630	(1)%
Trade and other receivables	4,879	4,963	(2)%
Contract assets	4,763	4,545	5%
Inventories	6,851	6,527	5%
Total non-current assets	**20,633**	**20,484**	**1%**
therein: Goodwill	9,469	9,376	1%
Other intangible assets	3,692	3,839	(4)%
Property, plant and equipment	5,081	4,877	4%
Total assets	**43,686**	**43,032**	**2%**
Total current liabilities	**21,883**	**21,552**	**2%**
therein: Short-term debt and current maturities of long-term debt	983	718	37%
Trade payables	5,083	5,127	(1)%
Contract liabilities	10,611	9,853	8%
Current provisions	1,692	1,676	1%
Total non-current liabilities	**6,050**	**6,089**	**(1)%**
therein: Long-term debt	1,955	1,672	17%
Provisions for pensions and similar obligations	906	1,057	(14)%
Provisions	1,982	2,095	(5)%
Total equity	**15,753**	**15,390**	**2%**
Total liabilities and equity	**43,686**	**43,032**	**2%**

Assets, liabilities and equity

- In the Consolidated Statements of Financial Position as of March 31, 2021 in comparison to the Consolidated Statements of Financial Position as of September 30, 2020 amounts included in receivables from and payables to the Siemens Group have been reclassified to those balance sheet items to which they belong according to their nature. The prior year amounts have been adjusted accordingly for comparability reasons.
- **Total assets** remained widely unchanged compared to the end of last fiscal year. The same applied to the change in the respective totals of current and non-current assets and liabilities.
- **Other current financial liabilities** decreased substantially, partly due to the settlement of external payment transactions, the decrease in liabilities from share buy-backs and from the accelerated vesting of share-based payment programs of Siemens AG.
- **Operating net working capital** decreased substantially to €800 million (September 30, 2020: €1,056 million) due to asset management. A moderate increase in assets was more than offset by a moderate increase in liabilities.
- **Total debt** increased to €2,938 million (September 30, 2020: €2,391 million), mainly due to two new SGRE loans with the European Investment Bank and new lease liabilities (see **Note 3 in 2.6 Notes to Half-year Consolidated Financial Statements**).
- **Provisions for pensions and similar obligations** decreased during H1 FY 2021 to €906 million (September 30, 2020: €1,057 million) mainly due to an increase in the assumed average-weighted discount rate.
- **Total equity** was slightly above the level at the end of the previous fiscal year. A positive total comprehensive income was partially offset by the effects of the repurchase of treasury shares. In H1 FY 2021, 7,691 thousand treasury shares were repurchased, thus completing the treasury share repurchase program announced in September 2020.

Cash flows

- **Free cash flow pre tax** sharply improved in H1 FY 2021 and was positive. That was driven by the improved result and cash inflows resulting from the change in Operating net working capital of €300 million (H1 FY 2020: €156 million). This was partly offset by increased cash outflows from the change in Other assets and liabilities of €962 million (H1 FY 2020: €470 million), including cash outflows from the accelerated vesting of share-based payment programs of Siemens AG.
- At segment level, sharp improvements in **Free cash flow pre tax** at GP, driven by project-related cash inflows, were in part offset by a sharp decline at SGRE. The determining factor was that within the prior year period, SGRE benefited strongly from customer prepayments due to higher level of order intake.
- **Cash flows from investing activities** in H1 FY 2020 included outflows related to SGRE's acquisition of parts of the Senvion business. This was partly offset by lower inflows from the sale of minor business activities of GP.
- The year-over-year decrease in **Cash flow from financing activities** was mainly due to the purchase of treasury shares as well as sharply lower cash inflows from transactions with the Siemens Group.
- Siemens Energy's **Net cash** - determined by total debt less total liquidity - decreased to €1,576 million as of March 31, 2021 (September 30, 2020: €2,366 million).

	First half		
(in millions of €)	**FY 2021**	**FY 2020**	**Change**
Free cash flow pre tax by segment			
Gas and Power	582	106	>200%
Siemens Gamesa Renewable Energy	(392)	(260)	50%
Reconciliation to Consolidated Financial Statements	(146)	(5)	>200%
Free cash flow pre tax of Siemens Energy	**45**	**(159)**	**n/a**
therein: Additions to intangible assets and property, plant and equipment	(389)	(329)	18%
Cash flows from			
Operating activities	213	(86)	n/a
Investing activities	(379)	(410)	(8)%
Financing activities	69	607	(89)%

1.3 Outlook

Against the background of the business development in the first half of the fiscal year coupled with greater visibility on the remainder of the fiscal year, we refine our outlook for the nominal revenue growth for Siemens Energy and both segments. Our original outlook included a wider range for the expected growth rate reflecting a high level of uncertainty at that time regarding factors, amongst others, the global COVID-19 pandemic.

We now expect the nominal revenue growth rate for **Siemens Energy** in fiscal year 2021 to be in the range of 3% to 8% (previously 2% to 12%). Unchanged, we expect an Adjusted EBITA margin before Special items of 3% to 5%, a sharp increase in Net income and a sharp decrease of Free cash flow pre tax.

For our **GP segment** in fiscal year 2021 we now expect nominal revenue growth to be in the range of 2% to 6% (previously 2% to 11%). Adjusted EBITA margin before Special items is anticipated unchanged between 3.5% and 5.5%.

For our **SGRE segment** we now expect nominal revenue growth in the range of 8% to 11% (previously 8% to 18%). Adjusted EBITA margin before Special items is expected to be unchanged in a range of 3% to 5% in fiscal year 2021.

We continue to expect global macroeconomic development to remain subdued for the remaining fiscal year 2021, with risks particularly related to geopolitical and geo-economic uncertainties. Our markets tend to have a limited effect to economic cycles and our businesses, especially our service business, is characterized by a high level of resilience.

This guidance continues to assume limited financial impact from COVID-19 during fiscal year 2021. Nevertheless, we observe with concern the resurgence of the global COVID-19 pandemic and measures imposed by authorities. We continue to monitor the pandemic situation and evaluate appropriate measures as it pertains to our guidance.

This outlook excludes charges related to legal and regulatory matters.

1.4 Risks and opportunities

In our Annual Report for fiscal year 2020 we described certain risks which could have a material adverse effect on our business, financial condition (including effects on assets, liabilities and cash flows), results of operations and reputation, our most significant opportunities as well as the design of our risk management system.

During the reporting period, we identified no further significant risks and opportunities besides those presented in our Annual Report for fiscal year 2020 and in this Half-year Financial Report.

For additional information related to specific litigations please see **Note 6 in 2.6 Notes to Half-year Consolidated Financial Statements**.

Assessment of the overall risk situation

While our assessments of individual risks have been continuously updated during the first half of fiscal year 2021, due to developments in the external environment, effects of our own mitigation measures and the revision of our risk assessment, the overall risk situation for Siemens Energy did not change significantly as compared to the prior year. We currently see the strategic risks arising from disruptive developments such as the trend towards decarbonization, including the requirements from certain ESG standards, as the most significant challenge for us, followed by the operational risk arising from the COVID-19 pandemic disease.

Additional risks and opportunities not known to us or that we currently consider immaterial could also affect our business operations. At present, no risks have been identified that either individually or in combination with other risks could endanger our ability to continue as a going concern.

2. Half-year Consolidated Financial Statements

2.1 Consolidated Statements of Income

(in millions of €, earnings per share in €)	Note	First half FY 2021	First half FY 2020
Revenue	8	13,024	13,152
Cost of sales		(11,009)	(11,606)
Gross profit		**2,015**	**1,547**
Research and development expenses		(525)	(447)
Selling and general administrative expenses		(1,262)	(1,388)
Other operating income		51	41
Other operating expenses		(38)	(19)
Income (loss) from investments accounted for using the equity method, net		30	12
Operating income (loss)		**272**	**(255)**
Interest income		13	25
Interest expenses		(61)	(96)
Other financial income (expenses), net		(21)	(9)
Income (loss) before income taxes		**203**	**(335)**
Income tax (expenses) benefits		(74)	(2)
Net income (loss)		**130**	**(337)**
Attributable to:			
Non-controlling interests		42	(93)
Shareholders of Siemens Energy AG[1]		88	(244)
Basic earnings per share		**0.12**	**(0.34)**
Diluted earnings per share		**0.12**	**(0.34)**

[1] In the first half of fiscal year 2020: Siemens Group

2.2 Consolidated Statements of Comprehensive Income

	First half	
(in millions of €)	**FY 2021**	**FY 2020**
Net income (loss)	**130**	**(337)**
Remeasurements of defined benefit plans	127	3
therein: Income tax effects	*(43)*	*(6)*
Remeasurements of equity instruments	—	—
therein: Income tax effects	—	—
Income (loss) from investments accounted for using the equity method, net	(3)	(3)
Items that will not be reclassified to profit or loss	**125**	**(0)**
Currency translation differences	140	(353)
Derivative financial instruments	60	(96)
therein: Income tax effects	*(12)*	*33*
Income (loss) from investments accounted for using the equity method, net	(18)	4
Items that may be reclassified subsequently to profit or loss	**182**	**(446)**
Other comprehensive income (loss), net of income taxes	**306**	**(446)**
Total comprehensive income (loss)	**436**	**(783)**
Attributable to:		
Non-controlling interests	65	(116)
Shareholders of Siemens Energy AG[1]	372	(667)

[1] In the first half of fiscal year 2020: Siemens Group

2.3 Consolidated Statements of Financial Position

(in millions of €)	Note	Mar 31, 2021[1]	Sep 30, 2020[1]
Assets			
Cash and cash equivalents		4,571	4,630
Trade and other receivables		4,879	4,963
Other current financial assets		753	825
Contract assets		4,763	4,545
Inventories		6,851	6,527
Current income tax assets		342	295
Other current assets		892	763
Assets classified as held for disposal		1	—
Total current assets		**23,053**	**22,548**
Goodwill		9,469	9,376
Other intangible assets		3,692	3,839
Property, plant and equipment		5,081	4,877
Investments accounted for using the equity method		749	753
Other financial assets		353	318
Deferred tax assets		983	1,057
Other assets		306	264
Total non-current assets		**20,633**	**20,484**
Total assets		**43,686**	**43,032**

(in millions of €)	Note	Mar 31, 2021[1]	Sep 30, 2020[1]
Liabilities and equity			
Short-term debt and current maturities of long-term debt	3	983	718
Trade payables		5,083	5,127
Other current financial liabilities		619	1,005
Contract liabilities		10,611	9,853
Current provisions		1,692	1,676
Current income tax liabilities		264	314
Other current liabilities		2,631	2,859
Liabilities associated with assets classified as held for disposal		—	—
Total current liabilities		**21,883**	**21,552**
Long-term debt	3	1,955	1,672
Provisions for pensions and similar obligations		906	1,057
Deferred tax liabilities		361	426
Provisions		1,982	2,095
Other financial liabilities		331	254
Other liabilities		515	584
Total non-current liabilities		**6,050**	**6,089**
Total liabilities		**27,934**	**27,642**
Equity	4		
Issued capital		727	727
Capital reserve		12,399	12,324
Retained earnings		3,134	2,906
Other components of equity		(654)	(814)
Treasury shares, at cost		(283)	(200)
Total equity attributable to shareholders of Siemens Energy AG		**15,323**	**14,942**
Non-controlling interests		430	448
Total equity		**15,753**	**15,390**
Total liabilities and equity		**43,686**	**43,032**

[1] In the Consolidated Statements of Financial Position as of March 31, 2021 in comparison to the Consolidated Financial Statements as of September 30, 2020 amounts included in receivables from and payables to the Siemens Group have been reclassified to those balance sheet items to which they belong according to their nature. The prior year amounts have been adjusted accordingly for comparability reasons.

2.4 Consolidated Statements of Cash Flows

		First half
(in millions of €)	**FY 2021**	**FY 2020**
Cash flows from operating activities		
Net income (loss)	130	(337)
Adjustments to reconcile net income (loss) to cash flows from operating activities		
Amortization, depreciation and impairments	699	680
Income tax expenses (benefits)	74	2
Interest (income) expenses, net	48	71
(Income) loss related to investing activities	(26)	(34)
Other non-cash (income) expenses	149	61
Change in operating net working capital		
Contract assets	(167)	43
Inventories	(257)	(532)
Trade and other receivables	189	95
Trade payables	(105)	(246)
Contract liabilities	640	796
Change in other assets and liabilities	(962)	(470)
Income taxes paid	(220)	(255)
Dividends received	14	20
Interest received	9	20
Cash flows from operating activities	**213**	**(86)**
Cash flows from investing activities		
Additions to intangible assets and property, plant and equipment	(389)	(329)
Acquisitions of businesses, net of cash acquired	1	(151)
Purchase of investments and financial assets	(1)	(5)
Disposal of intangibles and property, plant and equipment	10	35
Disposal of businesses, net of cash disposed	—	40
Disposal of investments and financial assets	(0)	0
Cash flows from investing activities	**(379)**	**(410)**
Cash flows from financing activities		
Purchase of treasury shares	(231)	—
Change in debt and other financing activities	228	230
Interest paid	(46)	(67)
Dividends attributable to non-controlling interests	(46)	(7)
Other transactions/ financing with Siemens Group	164	450
Cash flows from financing activities	**69**	**607**
Effect of changes in exchange rates on cash and cash equivalents	**39**	**(87)**
Change in cash and cash equivalents	**(59)**	**23**
Cash and cash equivalents at beginning of period	**4,630**	**1,871**
Cash and cash equivalents at end of period	**4,571**	**1,895**

2.5 Consolidated Statements of Changes in Equity

(in millions of €)	Issued capital	Capital reserve	Retained earnings[1]	Currency translation differences	Equity instruments	Derivative financial instruments	Treasury shares at cost	Total equity attributable to shareholders of Siemens Energy AG[2]	Non-controlling interests	Total equity
Balance as of September 30, 2019	—	—	11,472	422	—	(37)	—	11,856	1,233	13,089
Effect of retrospectively adopting IFRS 16	—	—	2	0	—	—	—	2	—	2
Balance as of October 1, 2019	—	—	11,474	422	—	(37)	—	11,858	1,233	13,091
Net income (loss)	—	—	(244)	—	—	—	—	(244)	(93)	(337)
Other comprehensive income (loss), net of income taxes	—	—	(0)	(329)	—	(93)	—	(423)	(23)	(446)
Total comprehensive income (loss)	—	—	(245)	(329)	—	(93)	—	(667)	(116)	(783)
Dividends & profit and loss transfer with owners	—	—	(222)	—	—	—	—	(222)	(5)	(227)
Other changes in equity	—	—	5,499	(36)	—	(4)	—	5,460	(251)	5,209
Balance as of March 31, 2020	—	—	16,506	57	—	(134)	—	16,428	861	17,290
Balance as of October 1, 2020	727	12,324	2,906	(759)	—	(55)	(200)	14,942	448	15,390
Net income (loss)	—	—	88	—	—	—	—	88	42	130
Other comprehensive income (loss), net of income taxes	—	—	124	109	—	50	—	284	23	306
Total comprehensive income (loss)	—	—	212	109	—	50	—	372	65	436
Dividends	—	—	—	—	—	—	—	—	(73)	(73)
Share-based payment	—	186	(1)	—	—	—	—	185	(1)	184
Purchase of treasury shares	—	—	—	—	—	—	(193)	(193)	—	(193)
Re-issuance of treasury shares	—	(110)	0	—	—	—	110	—	—	—
Other transactions with non-controlling interests	—	—	18	—	—	—	—	18	(10)	8
Other changes in equity	—	0	(0)	—	—	—	—	(0)	1	1
Balance as of March 31, 2021	727	12,399	3,134	(650)	—	(5)	(283)	15,323	430	15,753

[1] As of March 31, 2020, Siemens Energy AG was no legally separate subgroup for which consolidated financial statements had to be prepared according to IFRS 10, Consolidated Financial Statements. Therefore, Combined Financial Statements were prepared in which Net assets attributable to the Siemens Group were presented. For further information, please refer to Note 1 Basis of presentation.

[2] As of March 31, 2020: Siemens Group

2.6 Notes to Half-year Consolidated Financial Statements

NOTE 1 Basis of presentation

The accompanying Half-year Consolidated Financial Statements as of March 31, 2021, present the operations of Siemens Energy AG with registered office in Munich, Germany (registry number HRB 252581), and its subsidiaries.

The Half-year Consolidated Financial Statements are in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Half-year Consolidated Financial Statements should be read in conjunction with the Siemens Energy Consolidated Financial Statements as of September 30, 2020.

The Half-year Consolidated Financial Statements apply the same accounting principles and practices as those used in the 2020 Consolidated Financial Statements. The "Consolidated Statement of Income", the "Consolidated Statement of Comprehensive Income", the "Consolidated Statement of Cash Flows" and the "Consolidated Statement of Changes in Equity" for the prior year period have been prepared based on the Combined Financial Statements.

In the Half-year Consolidated Financial Statements as of March 31, 2021 in comparison to the Consolidated Financial Statements as of September 30, 2020 amounts included in receivables from and payables to the Siemens Group have been reclassified to those balance sheet items to which they belong according to their nature. The prior-year amounts have been adjusted accordingly for comparability reasons. Income tax expenses in the interim periods are calculated based on the currently expected effective tax rate of Siemens Energy for the full year.

Results for the interim reporting period are not necessarily indicative of future results. The presentation of certain prior year information is reclassified to conform to the current year presentation. The Half-year Consolidated Financial Statements are unaudited and were authorized for issue by the Executive Board on April 30, 2021. For further information on changes in estimates including income taxes and pensions, disaggregation of revenue and on segment information, see disclosures in the Interim Group Management Report.

Siemens Energy is one of the largest suppliers of technology in the energy and electricity sector that serves the entire scope of the energy market. It provides a portfolio along the entire energy value chain in both conventional and renewable energy, complimented by an entire set of training and service offerings. This comprehensive portfolio is aimed at public and private sector customers along the continuum of energy – from power generation to power transmission and related services.

Description of reportable segments

Siemens Energy has two reportable segments:

- Gas and Power (GP), which offers a broad spectrum of products, solutions and services for the generation of energy along the entire value chain in the oil and gas industry, as well as the construction and operation of power transmission networks.
- Siemens Gamesa Renewable Energy (SGRE), which offers on and offshore wind turbines as well as services throughout the whole life cycle of wind turbines.

Siemens Energy reviews assets for impairment whenever events or changes in circumstances (triggering events) indicate that the carrying amount of an asset may not be recoverable. The Company's exit from new coal projects announced in November 2020 did not result in any impairment as of March 31, 2021.

In fiscal year 2021, Siemens Energy's business and economic environment was adversely affected by the spread of COVID-19, though certain mitigating effects materialized due to the various measures taken by governments or states globally, including favorable financial support. As the outbreak continues to evolve, it is challenging to predict its duration and its impact on assets, liabilities, results of operations and cash flows. In the Half-year Consolidated Financial Statements as of March 31, 2021 Siemens Energy cautiously based financial information related estimates and assumptions on existing knowledge and the best information available and applied a scenario assuming that no significant negative effects will result in fiscal year 2021. COVID-19 related impacts on Siemens Energy's Half-year Consolidated Financial Statements may inter alia result from delays in order placements as well as in executing orders and contracts, termination of contracts, adjusted or modified revenue and cost patterns, limited usage of assets, volatility in financial and commodity markets, limited or no access to customer facilities, interest rate adjustments in various countries, increasing volatility in foreign currency exchange rates, deteriorating creditworthiness, credit default or delayed payments and hardship in preparing predictions and forecasts due to uncertainties in the amount and timing of cash flows. Those factors may impact fair value and carrying amounts of assets and liabilities as well as the amount and timing of results of operations and cash flows. These circumstances 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. Siemens Energy believes that the assumptions applied appropriately reflect the current situation.

NOTE 2 Acquisitions

For the acquisitions of Senvion Deutschland GmbH (Senvion European Onshore Services) and of Senvion's wind turbine blade production business in Vagos (Portugal) as well as certain additional assets (Ria Blades, S.A.) in fiscal year 2020, the adjustment of the total purchase price within the established limits was resolved in March 2021, once the term for the confirmation of the closing accounts had elapsed. The total price has amounted to €182 million, having recognized negative adjustments in the closing accounts confirmation, reaching the price floor. Likewise, the allocation of the resulting total price to the different parts of the transactions has been completed. The breakdown of the consideration paid was €122 million for the Senvion European Onshore Services business and €60 million for the wind turbine blade production business in Vagos (Portugal) and certain additional assets associated with said business. These amounts were paid during fiscal year 2020.

The transaction costs associated to both transactions amounted to €13 million and were recorded mainly in the Consolidated Statement of Income for fiscal year 2020.

Acquisition of Senvion European Onshore Services

The assets and liabilities of Senvion Deutschland GmbH and its subsidiaries are included in the Consolidated Financial Statements at their acquisition date fair values. The following table summarizes the consideration paid, the fair values of the assets and liabilities at their acquisition date and the generated goodwill.

(in millions of €)	
Consideration paid	**122**
Cash and cash equivalents	4
Trade and other receivables	59
Contract assets	12
Inventories	26
Other intangible assets	147
Property, plant and equipment	35
Other current and non-current financial assets	3
Deferred tax assets, net	5
Other current and non-current assets	3
Trade payables	(2)
Contract liabilities	(57)
Other current financial liabilities	(5)
Financial debt	(14)
Current and non-current provisions	(146)
Other current and non-current liabilities	(23)
Current income tax liabilities, net	(11)
Fair value of net assets	**36**
Goodwill	**86**
Allocated to the Operation and Maintenance segment	*86*

The accounting for this business combination has been finalized as of the date of issuance of these Half-year Financial Statements.

Acquisition of Senvion's wind turbine blade production business in Vagos (Portugal)

The assets and liabilities of Ria Blades, S.A. and associated additional assets are included in the Consolidated Financial Statements at their acquisition date fair values. The following table summarizes the consideration paid, the fair values of the assets and liabilities at their acquisition date and the generated goodwill.

(in millions of €)	
Consideration paid	**60**
Inventories	4
Property, plant and equipment	58
Other current and non-current financial assets	1
Current income tax asset, net	1
Deferred tax asset, net	2
Other current and non-current assets	1
Trade payables	(1)
Current and non-current provisions	(4)
Other current and non-current liabilities	(2)
Fair value of net assets	**60**
Goodwill	-

The accounting for this business combination has been finalized as of the date of issuance of these Half-year Financial Statements.

NOTE 3 Debt

	Current debt		Non-current debt	
(in millions of €)	Mar 31, 2021	Sep 30, 2020	Mar 31, 2021	Sep 30, 2020
Loans from banks	438	434	1,082	732
Lease liabilities	541	281	866	932
Other financial indebtedness	4	4	7	9
Total debt	**983**	**718**	**1,955**	**1,672**

Credit facilities

As of March 31, 2021 and September 30, 2020, Siemens Energy had an unused €3,000 million syndicated revolving credit facility for general corporate purposes. Effective March 2021, the term of the facility was adjusted. The facility will now mature in 2024 with two one-year extension options subject to the lenders' consent.

As of March 31, 2021 and September 30, 2020, SGRE had a multi-currency revolving credit facility, including a loan tranche, amounting to a total of €2,500 million. The facility includes a fully drawn term loan tranche of €500 million maturing in 2022 and an unused revolving credit line tranche of €2,000 million maturing in 2025 with a remaining one-year extension option.

During the 6-month period ended March 31, 2021 SGRE has signed new credit lines in non-euro currencies, mostly in Indian rupees for an amount equivalent to €47 million.

Loans

The debt in the balance sheet as of March 31, 2021 and September 30, 2020, mainly related to loans from banks in the SGRE business. SGRE's multi-currency revolving credit facility includes a fully drawn term loan tranche of €500 million. This loan may be used for general corporate purposes and to refinance outstanding debt.

During the 6-month period ended March 31, 2021 SGRE has signed two new loans with the European Investment Bank amounting to a total of €350 million. Both loans have a tenure of five years and can be used to fund SGRE's research and development activities.

NOTE 4 Equity

In the six months ended March 31, 2021, Siemens Energy repurchased 7,691 thousand treasury shares and transferred 4,911 thousand treasury shares to employees. As of March 31, 2021, the Company had treasury shares of 12,023 thousand (September 30, 2020: 9,243 thousand).

NOTE 5 Commitments and contingencies

Siemens Energy issues guarantees of third-party performance, which mainly include performance bonds and guarantees of advanced payments in consortium arrangements. In the event of a claim under the guarantees, Siemens Energy will be required to pay up to the agreed-upon maximum amount of €216 million as of March 31, 2021 (September 30, 2020: €272 million). 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 Siemens Energy business for which Siemens Group has a recourse right to Siemens Energy in case of any drawing on these guarantees.

In addition, the Company issued other guarantees, including indemnifications in connection with the disposition of businesses. To the extent future claims are not considered remote, maximum future payments from these obligations amounted to €58 million as of March 31, 2021 (September 30, 2020: €60 million).

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

NOTE 6 Legal proceedings

In January 2021, General Electric Company filed a complaint against Siemens Energy, Inc., USA ("SEI") in a US federal court asserting various claims regarding the receipt of confidential competitor information and seeking unspecified damages. SEI is defending itself against the claims.

In connection with the previously reported intellectual property related claim filed by GE against SGRE in Germany, GE has filed two additional claims against SGRE in the United Kingdom and Spain based on the respective national counterparts of the patent which is subject of the litigation in Germany. SGRE is defending itself against the claims.

SGRE is currently investigating a number of allegations and indications of potential violations of internal policies and procedures, as well as of statutory laws. The investigations concern mainly the Indian subsidiary, and a limited number of other jurisdictions. The respective internal investigations are still ongoing. Except for immaterial amounts recognized as of March 31, 2021, at the current stage of these investigations, it is too early to predict the final outcome, and to assess potential legal consequences and quantify potential financial impacts. If these allegations and indications are confirmed this could result in SGRE or its respective subsidiaries being subject to payment of damages, equitable remedies, fines, penalties, profit disgorgements, disqualifications from engaging in certain types of business as well as additional liabilities.

NOTE 7 Financial instruments

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, 2021		Sep 30, 2020	
(in millions of €)	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Loans from banks	1,542	1,520	1,180	1,165
Other non-derivative financial liabilities[1]	263	264	570	571
Other financial indebtedness	11	11	13	13

[1] Reported in line items Other current financial liabilities and Other financial liabilities (except credit guarantees)

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

			Mar 31, 2021
(in millions of €)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value[1]	**-**	**629**	**46**	**675**
Equity instruments measured at fair value through profit and loss	-	-	36	36
Equity instruments measured at fair value through Other comprehensive income	-	-	1	1
Debt instruments measured at fair value through profit and loss	-	-	10	10
Derivative financial instruments	-	629	-	629
Not designated in a hedge accounting relationship (including embedded derivatives)	-	*475*	-	*475*
In connection with cash flow hedges	-	*154*	-	*154*
Financial liabilities measured at fair value – Derivative financial instruments[2]	**-**	**591**	**-**	**591**
Not designated in a hedge accounting relationship (including embedded derivatives)	-	*450*	-	*450*
In connection with cash flow hedges	-	*141*	-	*141*

[1] Reported in line items Other current financial assets and Other financial assets

[2] Reported in line items Other current financial liabilities and Other financial liabilities

Fair values of derivative financial instruments are in accordance with the specific type of instrument. Fair values of derivative interest rate contracts are estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument. Fair values of foreign currency derivatives are based on forward exchange rates. No compensating effects from underlying transactions (e.g., firm commitments and forecast transactions) are taken into consideration.

The fair value of equity instruments measured at fair value is estimated by discounting future cash flows using current market interest rates. The fair value of debt instruments is estimated by discounting future cash flows using current market interest rates.

NOTE 8 Segment information

	Revenue First half		External revenue First half		Intersegment revenue First half	
(in millions of €)	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Gas and Power	8,459	9,035	8,388	8,940	72	94
Siemens Gamesa Renewable Energy	4,631	4,204	4,631	4,203	0	1
Total segments	**13,090**	13,239	**13,018**	13,144	**72**	**95**
Reconciliation to Consolidated Financial Statements	(66)	(86)	6	9	(72)	(95)
Siemens Energy	**13,024**	13,152	**13,024**	13,153	**0**	**(0)**

	Orders First half		Adj. EBITA First half	
(in millions of €)	FY 2021	FY 2020	FY 2021	FY 2020
Gas and Power	10,195	10,808	360	225
Siemens Gamesa Renewable Energy	7,781	6,830	113	(226)
Total segments	**17,976**	17,639	**473**	**(0)**
Reconciliation to Consolidated Financial Statements	(25)	(43)	(34)	(29)
Siemens Energy	**17,951**	17,596	**439**	**(29)**

	Assets		Free cash flow First half		Additions to intangible assets and property, plant and equipment First half	
(in millions of €)	Mar 31, 2021	Sep 30, 2020	FY 2021	FY 2020	FY 2021	FY 2020
Gas and Power	9,400	9,423	582	106	(83)	(122)
Siemens Gamesa Renewable Energy	3,665	2,913	(392)	(260)	(289)	(201)
Total segments	**13,066**	12,336	**191**	**(155)**	**(372)**	**(323)**
Reconciliation to Consolidated Financial Statements	30,620	30,696	(366)	(260)	(17)	(6)
Siemens Energy	**43,686**	43,032	**(175)**	**(415)**	**(389)**	**(329)**

	Amortization, depreciation and impairments First half		Investments accounted for using the equity method	
(in millions of €)	FY 2021	FY 2020	Mar 31, 2021	Sep 30, 2020
Gas and Power	252	265	682	687
Siemens Gamesa Renewable Energy	363	354	67	66
Total segments	**614**	619	**749**	753
Reconciliation to Consolidated Financial Statements	84	61	—	—
Siemens Energy	**699**	680	**749**	753

Orders

Orders are determined principally as estimated 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 customer creditworthiness.

Reconciliation to Consolidated Financial Statements

Adjusted EBITA		First half
(in millions of €)	FY 2021	FY 2020
Total segments	**473**	**(0)**
Real Estate Services	2	(8)
Eliminations, Treasury and other central items	(36)	(20)
Reconciliation to Adjusted EBITA Siemens Energy	**(34)**	**(29)**
Siemens Energy - Adjusted EBITA	**439**	**(29)**
Amortization of intangible assets acquired in business combinations and goodwill impairments	(194)	(241)
Financial result[1]	(69)	(80)
Financial result from operations[2]	27	15
Income (loss) before income taxes	**203**	**(335)**

[1] Financial result represents the sum of (i) interest income, (ii) interest expenses and (iii) other financial income (expenses).

[2] Financial result from operations refers to interest income related to receivables from customers, from cash allocated to the segments and interest expenses on payables to suppliers.

Assets	Mar 31,	Sep 30,
(in millions of €)	2021	2020
Assets Real Estate Services	1,335	1,252
Asset-based adjustments:		
Financing receivables from Siemens Group	*79*	*282*
Tax-related assets	*1,325*	*1,351*
Liability-based adjustments	23,294	23,399
Eliminations, Treasury and other central items	4,588	4,412
Reconciliation to Consolidated Financial Statements	**30,620**	**30,696**

Disaggregation of external revenue

		First half
(in millions of €)	FY 2021	FY 2020
Type of activities in reportable segment Gas and Power		
New units	4,904	5,227
Service contracts	3,484	3,714
Types of businesses in reportable segment Siemens Gamesa Renewable Energy		
Wind Turbines	3,801	3,442
Operations and Maintenance ("Service")	830	762
Types of businesses in reportable segment Gas and Power		
Transmission	2,491	2,699
Generation	3,623	3,703
Industrial Applications	2,267	2,538
Other/ Consolidation	6	1

In the GP segment, inventory write-offs amounting to €206 million and impairments of intangible assets amounting to €476 million were recognized in the past fiscal year in connection with strategic portfolio decisions for aeroderivative gas turbines. Despite further negative customer developments in the fiscal year 2021 a purchase agreement was concluded for gas turbines on stock resulting in a partial reversal of the respective write-offs. Further positive non-recurring items resulted among other things from a settlement with a major customer, which led to the reversal of the corresponding provisions for delays and warranties.

In the SGRE segment, a reassessment of marketability of inventories resulted in a positive impact in a high double-digit million euro amount. Further positive effects resulted from the release of warranty provisions.

NOTE 9 Related party transactions

Transactions with Siemens Group

Sales of goods and services and other income, as well as purchases of goods and services and other expenses from transactions with Siemens Group (excluding Siemens Group joint ventures and associates), are presented in the following table:

	Sales of goods and services and other income		Purchase of goods and services and other expenses	
	First half		First half	
(in millions of €)	FY 2021	FY 2020	FY 2021	FY 2020
Siemens Group	238	306	597	1,144

Supply and delivery agreements exist between Siemens Energy and Siemens Group. Siemens Energy is supplied with and delivers to Siemens Group goods and services on a case by case basis. In certain countries, Siemens Energy's Gas and Power business 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 to risks. Provisions that Siemens Energy has recognized for warranties, litigations, and other project-related risks relating to such contracts amounted to €843 million as of March 31, 2021 (September 30, 2020: €919 million).

In the first half of fiscal year 2021, Siemens Energy received central corporate services from Siemens Group resulting in expenses of €267 million (first half of fiscal year 2020: €524 million). Siemens Energy pays a fee for the use of the Siemens brand.

Guarantees and other commitments

Siemens Group has issued guarantees and similar declarations of liability in favor of Siemens Energy and its investments. The volume amounted to €21,533 million as of March 31, 2021 (September 30, 2020: €27,956 million).

Siemens Energy issued guarantees for Siemens Group entities and Siemens Energy's own joint ventures amounting to €221 million as of March 31, 2021 (September 30, 2020: €294 million).

Additionally, Siemens Energy has a commitment related to an agreement between Siemens Energy and the Siemens Group that obliges Siemens Energy to acquire a 40% share in the joint venture Shanghai Electric Power Generation Equipment Co. LTD., Shanghai, China, in fiscal year 2021 (subject to the consent of the joint venture partner). The expected purchase price of €220 million for the share has been contributed in cash by the Siemens Group to Siemens Energy in advance, with any difference to be repaid to the Siemens Group should the purchase price be less than €220 million. The commitment in connection with the acquisition of the Siemens Energy business in Bangladesh from the Siemens Group was settled in the first half of fiscal year 2021. The purchase price was €23 million.

Insurances

Siemens Energy (excluding SGRE) is covered by the group insurance of Siemens Group. Siemens Energy is covered under the industrial and cyber insurances of Siemens Group but has its own financial insurance. Furthermore, there are additional contracts for individual insurance services between companies of Siemens Energy and Siemens Group, the costs of which are borne by Siemens Energy.

Receivables, Contract assets, Payables and Contract liabilities from transactions with Siemens Group (excluding Siemens Group joint ventures and associates)

	Receivables and contract assets		Payables and contract liabilities	
(in millions of €)	Mar 31, 2021	Sep 30, 2020	Mar 31, 2021	Sep 30, 2020
Siemens Group	1,025	1,395	507	519
thereof:				
from financing activities[1]	*79*	*282*	*136*	*161*
other items	*947*	*1,113*	*371*	*358*

[1] Receivables are reported in line item Other current financial assets of the Statement of Financial Position. Payables are reported in line items Short-term debt and current maturities of long-term debt, Long-term debt, Other current financial liabilities and Other financial liabilities of the Statement of Financial Position.

In connection with the Spin-Off, the last remaining balances from the separation of Siemens Energy from Siemens Group intercompany clearing were settled in October 2020. The remaining receivables and payables from financing activities as of March 31, 2021 are mainly related to contractual agreements with Siemens AG in relation to the Carve-Out that are still to be settled.

Leasing

As of March 31, 2021, leases with Siemens Group continued to mainly include real estate. The carrying amounts of the recognized right-of-use assets and lease liabilities are on a level comparable to September 30, 2020.

Hedging

In October 2020, a part of the hedging portfolio contracted with Siemens Corporate Treasury was transferred to external banks. Certain short-term hedging instruments contracted with Siemens Corporate Treasury before the Spin-Off are still held until maturity.

Transactions with joint ventures, associates, and their affiliates

Siemens Energy has relationships with Siemens Group joint ventures and associates as well as own joint ventures and associates, whereby Siemens Energy buys and sells a variety of products and services generally on an arm's length basis.

Siemens Group associates were related parties only until the Spin-Off; therefore, sales of goods and services and other income, as well as purchases of goods and services and other expenses, are presented as related party transactions for fiscal year 2020. Receivables, Contract assets, payables and Contract liabilities from transactions with Siemens Group associates recognized as of September 30, 2020, are therefore not presented in the following table:

	Sales of good and services and other income First half		Purchases of goods and services and other expenses First half		Receivables and contract assets		Payables and contract liabilities	
(in millions of €)	**FY 2021**	FY 2020	**FY 2021**	FY 2020	**Mar 31, 2021**	Sep 30, 2020	**Mar 31, 2021**	Sep 30, 2020
Siemens Group joint ventures	197	149	4	1	269	145	142	139
Siemens Group associates	—	60	—	0	—	—	—	—
Siemens Energy joint ventures	29	31	37	45	15	11	6	10
Siemens Energy associates	44	31	91	78	41	2	56	19
Total	**270**	270	**132**	125	**326**	157	**205**	168

NOTE 10 Subsequent events

No material subsequent events occurred.

3. Additional Information

3.1 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, for half-year reporting , the Half-year Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Interim Group Management Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Munich, April 30, 2021

Siemens Energy AG
The Executive Board



Christian Bruch



Maria Ferraro



Jochen Eickholt



Tim Holt

3.2 Review Report

To Siemens Energy AG, Munich

We have reviewed the half-year consolidated financial statements comprising the consolidated statements of income, comprehensive income, financial position, cash flows and changes in equity, and notes to half-year consolidated financial statements, and the interim group management report, of Siemens Energy AG, Munich for the period from October 1, 2020 to March 31, 2021 which are part of the half-year financial report pursuant to Sec. 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The Company's management is responsible for the preparation of the half-year consolidated financial statements in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the half-year consolidated financial statements and the interim group management report based on our review.

We conducted our review of the half-year consolidated financial statements and the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW - Institute of Public Auditors in Germany) and in supplementary compliance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the half-year consolidated financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review nothing has come to our attention that causes us to believe that the half-year consolidated financial statements are not prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, April 30, 2021

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Spannagl	Müller
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

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