

Annual Financial Statements of Siemens Energy AG

for the fiscal year
ended September 30, 2020



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Combined Management Report

The Management Report of Siemens Energy AG has been combined with the Management Report of the Siemens Energy Group in accordance with Section 315 para. 5 and Section 298 para. 2 German Commercial Code (“Handelsgesetzbuch”) and is published in the 2020 Annual Report of the Siemens Energy Group.

The Annual Financial Statements and the Combined Management Report of Siemens Energy AG for fiscal year 2020 are filed with the operator of the German Federal Gazette and published in the German Federal Gazette.

The Annual Financial Statements of Siemens Energy AG as well as the Annual Report of the Siemens Energy Group for fiscal year 2020 are also available for download on the Internet at:

➤ www.siemens-energy.com/financial-publications

Annual Financial Statements



1.1 Income Statement

(in thousands of €)	Note	Fiscal year	
		2020	2019
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
General administrative expenses	1	(188)	(14)
Other operating income	2	350	16
Other operating expenses	3	(40)	–
Income (loss) from operations		122	1
Income (loss) from investments, net	4	200,252	–
Interest income	5	(9)	(1)
Income (loss) from business activity		200,365	1
Income taxes		–	–
Income (loss) after taxes		200,365	1
Other taxes	6	(350)	–
Net income (loss)		200,015	1
Appropriation of net income (loss)	14		
Net income (loss)		200,015	1
Loss carried forward		(15)	(16)
Allocation to capital reserve		(9,243)	–
Offsetting the difference resulting from treasury shares acquired		(190,757)	–
Unappropriated net income (loss)		–	(15)

1.2 Balance Sheet

(in thousands of €)	Note	Sep 30,	
		2020	2019
Assets			
Non-current assets	7	13,021,313	–
Financial assets		13,021,313	–
Current assets		38,591	189
Receivables and other assets	8	558	88
Receivables from affiliated companies		203	88
Other receivables and other assets		355	–
Cash and cash equivalents		38,033	101
Total assets		13,059,904	189

(in thousands of €)	Note	Sep 30,	
		2020	2019
Shareholders' equity and liabilities			
Shareholders' equity	10	13,021,328	185
Subscribed capital		726,645	100
Treasury shares		(9,243)	–
Issued capital		717,403	100
Capital reserve		12,303,925	100
Unappropriated net income (loss)		–	(15)
Provisions		158	–
Other provisions	11	158	–
Liabilities	12	38,418	3
Liabilities to banks		–	0
Trade payables		35	3
Liabilities to affiliated companies		–	–
Other liabilities		38,383	–
Total shareholders' equity and liabilities		13,059,904	189

1.3 Notes

1.3.1 General disclosures

Siemens Energy AG (hereafter “Siemens Energy AG”, until April 3, 2020 “Kyros 52 Aktiengesellschaft”) is, in accordance to Section 267 para. 3 s. 2 in conjunction with Section 264d German Commercial Code, a large corporation and is registered in the Commercial Register maintained by the local court in Munich, Germany, under the entry number HRB 252581. Siemens Energy AG acts as the holding company of the Siemens Energy Group.

In the general shareholders’ meeting on October 29, 2019, it was resolved to relocate the registered office of the Company (at the time still operating under the corporate name of Kyros 52 Aktiengesellschaft) to Munich. On November 6, 2019, the amendment of the articles of association was registered in the Commercial Register of the local court of Munich.

By resolution of the general shareholders’ meeting dated April 1, 2020, the corporate name was changed from “Kyros 52 Aktiengesellschaft” to “Siemens Energy AG” and the corporate purpose of the Company was restated taking into account its future position as the parent company of the Siemens Energy Group. On April 3, 2020, this change of the articles of association was registered in the Commercial Register at the local court of Munich, Germany.

On September 7, 2020, Siemens Energy AG published a securities prospectus after approval by the German Federal Financial Supervisory Authority (“Bundesanstalt für Finanzdienstleistungsaufsicht”) and applied at the Frankfurt Stock Exchange for admission of the shares of Siemens Energy AG to trading on September 8, 2020. The admission of the Company’s shares to trading took place on September 25, 2020. The shares of Siemens Energy AG have been listed on the Regulated Market of the Frankfurt Stock Exchange since September 28, 2020. They are admitted for trading in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional transparency obligations (Prime Standard). Siemens Aktiengesellschaft (hereafter “Siemens AG”) with registered offices in Berlin and Munich, Germany, together with its direct and indirect subsidiaries and together with Siemens Pension Trust e.V. holds 45% of the share capital of Siemens Energy AG after going public. Siemens AG holds a direct interest of 23.08%, while Siemens Beteiligungen Inland GmbH (hereinafter “SBI GmbH”), a

100% subsidiary of Siemens AG with its registered office in Munich, Germany, holds another 12.02% of Siemens Energy AG. Another 9.90% of the shares in Siemens Energy AG are held by Siemens Pension Trust e.V.

In the Deconsolidation Agreement of May 22, 2020, Siemens AG and Siemens Beteiligungen Inland GmbH undertook vis-à-vis the Company to exercise their voting rights at the annual shareholders’ meetings of Siemens Energy AG only up to a certain maximum number of votes on certain resolution items.

Until its economic incorporation on April 1, 2020, Siemens Energy AG had no operating activities. For this reason, there is limited comparability with the prior-year financial figures. The Annual Financial Statements as of September 30, 2020 have been prepared in accordance with the regulations set forth in the German Commercial Code and the German Stock Corporation Act (“Aktien-gesetz”). Amounts are presented in thousands of euros (€ thousand). Due to rounding, numbers presented may not add up precisely to totals provided.

The income statement is prepared using the cost-of-sales method.

1.3.2 Accounting and measurement principles

Financial assets – Financial assets acquired through contributions in kind are recognized in accordance with the principles for contributions in kind at the issue price of the shares granted for the contributions in kind, at most at their fair value at the time of contribution. For financial assets, which are acquired and recognized because of a Spin-Off by absorption, acquisition costs have been recognized at the carrying amount from the closing balance sheet of the transferring legal entity. Impairment losses are recognized if a decline in value is presumed to be other than temporary. This applies, if objective evidence, particularly events or changes in circumstances, indicates a significant or other than temporary decline in value. In case of an impairment in prior periods, a lower recognized value may not be maintained if the reasons for impairment no longer exist. Apart from the earning of profit shares, withdrawals from commercial partnerships where there is no correspondence

between the carrying amount of the investment and the company's equity, are fully recorded as income from investments, subject to the recoverability of the investment.

Allowances on receivables are determined based on the probability of default and country risks.

Deferred taxes – Deferred tax liabilities are recognized if a future tax burden is expected due to differences between commercial and tax valuations in the balance sheet. In the case of an overall expected tax relief, the corresponding option to recognize a deferred tax asset is not used. To the extent that deferred tax assets correspond to existing deferred tax liabilities, these are netted.

Other provisions are recognized in an appropriate and sufficient amount to cover individual obligations for all identifiable risks relating to uncertain liabilities and for anticipated losses on onerous contracts, taking into account the price and cost increases that are expected to arise in the future. Significant provisions with a remaining term of more than one year are discounted using a discount rate, which corresponds to the average market interest rate appropriate for the remaining term of the obligations, as calculated and published by Deutsche Bundesbank.

Foreign currency translation – Receivables, other current assets, securities, cash and cash equivalents, provisions, and liabilities, as well as commitments and contingencies denominated in foreign currency, are generally measured applying the average spot exchange rate on the balance sheet date. Non-current assets and inventories acquired in foreign currency are generally measured applying the average spot exchange rate on the transaction date.

Negative interest from financial investments is reported within interest income.

Classification of items in the annual financial statements – Siemens Energy AG aggregates individual line items of the income statement and balance sheet if the individual line item is not material for providing a true and fair view of its financial position and if such an aggregation improves the clarity of the presentation. Siemens Energy AG discloses these items separately in the Notes.

1.3.3 Notes to the income statement

NOTE 1 General administrative expenses

General administrative expenses mainly included fees for audit services in the amount of €115 thousand (2019: €0 thousand), expenses for the Supervisory Board and expenses related to D&O insurance policies.

NOTE 2 Other operating income

Other operating income in the amount of €350 thousand (2019: €16 thousand) comprised the refund of the real estate transfer tax by Siemens AG resulting from the Spin-Off.

NOTE 3 Other operating expenses

Other operating expenses included expenses in connection with the share buyback in the amount of €40 thousand (2019: €0 thousand).

NOTE 4 Income (loss) from investments, net

(in thousands of €)	Fiscal year	
	2020	2019
Income from investments	200,252	–
<i>thereof from affiliated companies</i>	200,252	–
Income from investments, net	200,252	–

Income from investments primarily included a withdrawal in the amount of €200,243 thousand (2019: €0 thousand) from Siemens Gas and Power GmbH & Co. KG with its registered office in Munich, Germany. Income of €9 thousand (2019: €0 thousand) resulted from an indemnification agreement that Siemens Gas and Power GmbH & Co. KG issued to Siemens Energy AG for the period of the share buyback program.

NOTE 5 Interest income and interest expenses

Interest income included negative interest from financial investments amounting to €9 thousand (2019: €1 thousand).

NOTE 6 Other taxes

Other taxes in the amount of €350 thousand (2019: €0 thousand) related to the real estate transfer tax, resulting from the Spin-Off and were financially borne by Siemens AG (see "Other operating income").

1.3.4 Notes to the balance sheet

NOTE 7 Non-current assets

(in thousands of €)	Acquisition costs				Accumulated Impairment				Carrying amount		
	Oct 1, 2019	Additions	Disposals	Sep 30, 2020	Oct 1, 2019	Depreciation/ amortization	Write-ups	Disposals	Sep 30, 2020	Sep 30, 2020	Sep 30, 2019
Financial assets											
Shares in affiliated companies	-	13,021,313	-	13,021,313	-	-	-	-	-	13,021,313	-
Sum	-	13,021,313	-	13,021,313	-	-	-	-	-	13,021,313	-

In order to establish an independent Siemens Energy Group structure, the Gas and Power operations within the Siemens Group and the 67.1% interest in the listed Siemens Gamesa Renewable Energy, S.A. (hereafter "Siemens Energy Business") held by the Siemens Group were bundled under Siemens Energy AG and its subsidiaries.

The business of the Siemens Energy Group is managed by Siemens Gas and Power GmbH & Co. KG and its direct and indirect subsidiaries. Siemens Energy AG is the parent company of the Siemens Energy Group by holding 100% of the shares in Siemens Gas and Power GmbH & Co. KG. The entire limited partner's shares in Siemens Gas and Power GmbH & Co. KG and the entire shares in Siemens Gas and Power Management GmbH were contributed to Siemens Energy AG by Siemens AG and affiliated companies of Siemens AG for the issue of new shares of Siemens Energy AG.

With economic effect as of April 1, 2020, Siemens AG contributed an interest in the fixed capital of Siemens Gas and Power GmbH & Co. KG – this corresponds to 32.98% of the limited partner's shares in Siemens Gas and Power GmbH & Co. KG with a nominal value of €1.00 each to Siemens Energy AG. Also, with economic effect as of April 1, 2020, Siemens AG contributed 32.98% of its shares in Siemens Gas and Power Management GmbH to Siemens Energy AG. SBI GmbH transferred its limited

partner's share in Siemens Gas and Power GmbH & Co. KG and its shares in Siemens Gas and Power Management GmbH in the amount of 12.02% each of the fixed or share capital. In return for the contributions, Siemens AG and SBI GmbH received new shares of the Company. The resolution on the capital increases came into effect upon its entry in the Commercial Register on September 1, 2020.

With effect from September 25, 2020 and in accordance with the Spin-Off and Transfer Agreement of May 22, 2020, Siemens AG transferred the rest of its limited partner's shares in Siemens Gas and Power GmbH & Co. KG and the rest of its interest in Siemens Gas and Power Management GmbH in the amount of 55.0% each of the fixed or share capital to Siemens Energy AG as the receiving legal entity in the context of the Spin-Off in accordance with the German Transformation Act ("Umwandlungsgesetz"). In return, Siemens Energy AG granted new shares in Siemens Energy AG to the shareholders of Siemens AG. For every two shares of Siemens AG, one share of Siemens Energy AG has been granted to the shareholders of Siemens AG.

In the course of these transactions, additions to financial assets (Shares in affiliated companies) amounted to €13,021,313 thousand. The acquisition costs for the shares in connection with the contribution in kind by Siemens AG (32.98% of the limited partner's shares and corresponding shares in the general partner of Siemens Gas and Power

GmbH & Co. KG) were determined by the lowest issue price of €1.00 per Siemens Energy AG share, in total €239,582 thousand, as well as a cash payment by Siemens AG of €185 thousand in order to achieve a congruence of values between the assets of Siemens Energy AG and the assets to be spun off. The acquisition costs for the shares in connection with the contribution in kind of SBI GmbH (12.02% of the limited partner's shares and corresponding shares in the general partner of Siemens Gas and Power GmbH & Co. KG) were determined exclusively by the lowest issue price of €1.00 per

Siemens Energy AG share and thus amounted to €87,308 thousand. The acquisition costs for the shares in connection with the Spin-Off were determined in accordance with Section 24 German Transformation Act based on the carrying amount from the closing balance sheet of the transferring legal entity in the amount of €12,694,238 thousand. This amount includes the proportionate share capital for 55.0% of the shares in the amount of €399,655 thousand and the excess amount of the net assets acquired at carrying amounts totaling €12,294,583 thousand.

NOTE 8 Receivables and other assets

(in thousands of €)	Sep 30,	thereof	Sep 30,	thereof
	2020	maturities more than one year	2019	maturities more than one year
Receivables from affiliated companies	203	–	88	–
Other receivables and other assets	355	–	–	–
<i>thereof from Siemens AG</i>	350	–	–	–
<i>thereof other assets</i>	5	–	–	–
Receivables and other assets	558	–	88	–

Receivables from affiliated companies in the amount of €203 thousand (September 30, 2019: €88 thousand) resulted primarily from a withdrawal from Siemens Gas and Power GmbH & Co. KG. Receivables from Siemens AG related to the refund of the real estate transfer tax by Siemens AG resulting from the Spin-Off.

NOTE 9 Deferred tax assets

The calculation of deferred taxes resulted in a surplus of deferred tax assets on the quasi-permanent differences, which essentially related to the investment in Siemens Gas and Power GmbH & Co. KG. The surplus was not recognized due to the exercise of the option under Section 274 para. 1 s. 2 German Commercial Code.

A corporate tax rate (plus solidarity surcharge) of 15.8% and a trade tax rate of 17.2% were applied for the measurement of deferred taxes.

NOTE 10 Shareholder's equity

(in thousands of €)	Oct 1,	Contribu-	Additional	Share	Net	Sep 30,
	2019	tions in kind	contri- butions	buybacks	income	2020
Subscribed capital	100	726,545	–	–	–	726,645
Treasury shares	–	–	–	(9,243)	–	(9,243)
<i>Issued capital</i>	100	726,545	–	(9,243)	–	717,403
Capital reserve	100	12,294,398	185	–	9,243	12,303,925
Unappropriated net income/ net loss	(15)	–	–	(190,757)	190,772	–
Shareholders' equity	185	13,020,943	185	(200,000)	200,015	13,021,328

Subscribed capital

As of October 1, 2019, the share capital of Siemens Energy AG amounted to €100 thousand, divided into 100,000 shares with no par value (registered shares). The sole shareholder of Siemens Energy AG at that time was SBI GmbH, which is a wholly owned direct subsidiary of Siemens AG. As a result of the Purchase and Transfer Agreement dated February 18, 2020, Siemens AG acquired all shares in Siemens Energy AG from SBI GmbH.

In May 2020, in advance of the Spin-Off, the share capital of Siemens Energy AG was increased from €100 thousand to €326,990 thousand through issuing 326,890,337 no-par value shares (registered shares) with a pro rata amount of share capital and an issue price of €1.00 each to Siemens AG and SBI GmbH as follows: On the basis of the Spin-Off and Transfer Agreement dated May 22, 2020, Siemens AG contributed a partial limited partner's share in Siemens Gas and Power GmbH & Co. KG and shares in Siemens Gas and Power Management GmbH amounting to 32.98% each of the fixed or share capital to Siemens Energy AG. As a result, the subscribed capital increased by €239,582 thousand. On the basis of the same Spin-Off and Transfer Agreement dated May 22, 2020, SBI GmbH contributed its limited partner's share in Siemens Gas and Power GmbH & Co. KG and shares in Siemens Gas and Power Management GmbH amounting to 12.02% each of the fixed or share capital to Siemens Energy AG, resulting in an increase in subscribed capital of €87,308 thousand.

With the Spin-Off taking effect, Siemens AG contributed the rest of its limited partner's shares in Siemens Gas and Power GmbH & Co. KG and the remaining shares in Siemens Gas and Power Management GmbH in the amount of 55.0% each of the fixed or share capital to Siemens Energy AG in return for the granting of shares to the shareholders of Siemens AG, allowing Siemens Energy AG to become the sole limited partner of Siemens Gas and Power GmbH & Co. KG and the sole shareholder of Siemens Gas and Power Management GmbH upon the Spin-Off taking effect. In return, Siemens Energy AG increased its share capital by €399,655 thousand from €326,990 thousand to €726,645 thousand by issuing 399,654,856 no-par value shares (registered shares), each representing a pro rata amount of the share capital and an issue price of €1.00.

On September 30, 2020, the share capital of Siemens Energy AG amounted to €726,645 thousand and was divided into 726,645,193 registered no-par value shares, each representing a pro rata amount of the share capital of €1.00. The shares are fully paid in. In principle, each share entitles the holder to one vote (subject to the restrictions for Siemens AG

and SBI GmbH arising from the existing deconsolidation agreement ["Entherrschungsvertrag"]) and determines the shareholder's share of the Company's net income. In principle, all shares carry the same rights and obligations.

Siemens Energy AG went public on September 28, 2020, with the start of the trading of its shares on the Frankfurt Stock Exchange. At the time of going public, Siemens Group held 35.10% of Siemens Energy AG's share capital. Another 9.90% of the shares in Siemens Energy AG were held by Siemens Pension Trust e.V. Siemens Energy shares are admitted to trading on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) under the stock exchange symbol ISIN DE000ENER6Y0.

Authorized capital (not issued)

By resolution of the general Shareholders' Meeting on September 18, 2020, the Executive Board of Siemens Energy AG is authorized, subject to the approval of the Supervisory Board, to increase the share capital of the Company until the end of July 31, 2025, by issuing a maximum of 363,322,596 no-par value new registered shares against contribution in cash and (or) in kind up to a maximum amount of €363,323 thousand. Under certain conditions, in particular in compliance with the maximum limits specified in the authorization, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights for cash capital increases, firstly to grant employee shares, secondly for any fractional amounts, thirdly to grant a dilution adjustment in connection with convertible bonds or bonds with warrants that have already been issued, fourthly under certain additional conditions, if the issue price of the new shares is not significantly below the stock exchange price of the Company's already listed shares, and fifthly when a so-called stock dividend is carried out.

Conditional capital

By resolution of the general shareholders' meeting on September 18, 2020, the share capital is conditionally increased up to €72,665 thousand (Conditional Capital 2020). The conditional capital increase will be carried out by issuing up to 72,664,519 no-par value shares registered in the name of the holders only insofar as the holders and (or) creditors of convertible bonds or of option warrants from option bonds, which are issued by Siemens Energy AG or one of its consolidated subsidiaries until the end of July 31, 2025, on the basis of the authorization of the Executive Board through the general Shareholders' Meeting of September 18, 2020, exercise their conversion (option) rights or perform their conversion obligation and no other forms of fulfillment are used to service these rights. The issue of the new shares shall be made at the conversion

(option) prices to be determined, subject to the above authorization resolution, in the terms and conditions of the bonds or options. The Executive Board is authorized to decide on further details of the implementation of the conditional capital increase. The issued shares shall participate in profits from the beginning of the fiscal year in which they are issued; to the extent permitted by law, the Executive Board can stipulate in deviation from the above and Section 60 para. 2 German Stock Corporation Act that the new shares shall participate in profits from the beginning of a fiscal year that has already ended.

Capital reserve

The capital reserve increased by €12,303,826 thousand in fiscal year 2020. The increase mainly related to the value of the net assets acquired exceeding the inflow of share capital at carrying amounts amounting to €12,294,398 thousand. The additional payment amounted to €185 thousand in order to achieve a congruence of values between the assets of Siemens Energy AG and the assets to be spun off. In the course of the share buyback, an amount of €9,234 thousand was transferred to the capital reserve corresponding to the nominal amount openly deducted from the subscribed capital in analogous application of Section 237 para. 5 Stock Corporation Act.

Treasury shares

The Company is authorized by resolution of the Shareholders' Meeting on September 18, 2020 to acquire treasury shares until the end of July 31, 2025 up to the amount equivalent of 10% of the Company's share capital at the time of the authorization of September 18, 2020 taking effect or at the time, when the authorization is exercised (if that amount would be lower). The shares acquired under the authorization together with other treasury shares already acquired and still held by the Company or which are attributable to it pursuant to Sections 71d and 71e German Stock Corporation Act must not, at any time, represent more than 10% of the relevant share capital.

The following table presents the development of treasury shares:

	Fiscal year
(in number of shares)	2020
Treasury shares, beginning of fiscal year	–
Share buyback	9,242,660
Treasury shares, end of fiscal year	9,242,660

On September 28, 2020, the share buyback with a volume of up to €393,000 thousand announced on September 9, 2020 has started. In fiscal year 2020, Siemens Energy AG held 9,242,660 treasury shares, equaling a nominal amount of €9,243 thousand, representing 1.27% of the share capital as of September 30, 2020. For this purpose, €200,000 thousand were spent excluding incidental transaction charges. This represents an average stock price of €21.64 per share. The purchase was made in September 2020 during two Xetra trading days and was carried out by a bank that had been commissioned by Siemens Energy AG; the shares were purchased exclusively on the electronic trading platform of the Frankfurt Stock Exchange. The average volume on these trading days was approximately 18,752,674 shares.

The treasury shares purchased under the share buybacks may be exclusively used for the purpose of issuing shares to employees and members of the Company's Executive Board as well as to employees and board members of affiliated companies as part of share-based compensation or employee share programs.

Disclosures on shareholdings of Siemens Energy AG

As of September 30, 2020, the following information on shareholdings subject to reporting requirements was available to the Company pursuant to Section 160 para. 1 No. 8 German Stock Corporation Act:

Siemens AG informed us on September 25, 2020 that due to the first-time admission of the shares of Siemens Energy AG for trading on an organized market, its share of voting rights (including share of voting rights of Siemens Pension-Trust e.V.) in Siemens Energy AG on September 25, 2020 amounted to 326,990,337 voting rights or 45% of the voting rights.

NOTE 11 Other provisions

The largest items in other provisions resulted from fees for audit services in the amount of €85 thousand (September 30, 2019: €0 thousand), expenses for the Supervisory Board in the amount of €40 thousand (September 30, 2019: €0 thousand) and expenses related to D&O insurance policies in the amount of €33 thousand (September 30, 2019: €0 thousand).

NOTE 12 Liabilities

(in thousands of €)	Sep 30, 2020	up to 1 year	thereof maturities		Sep 30, 2019	up to 1 year	thereof maturities	
			1 to 5 years	more than 5 years			1 to 5 years	more than 5 years
Trade payables	35	35	–	–	3	3	–	–
Liabilities to affiliated companies	–	–	–	–	–	–	–	–
Other liabilities	38,383	38,383	–	–	–	–	–	–
<i>thereof miscellaneous liabilities</i>	350	350	–	–	–	–	–	–
<i>therein from taxes</i>	350	350	–	–	–	–	–	–
Liabilities	38,418	38,418	–	–	3	3	–	–

Other liabilities primarily consisted of a liability in the amount of €38.033 thousand (September 30, 2019: €0 thousand) resulting from the share buyback. The line item also included a liability of €350 thousand due to the real estate transfer tax resulting from the Spin-Off.

1.3.5 Other Disclosures

NOTE 13 Guarantees and other commitments

As of September 30, 2020, there were warranty agreements in the amount of €9,294,149 thousand, mainly obligations in connection with the financing of group companies.

For the purpose of financing the Siemens Energy Group, Siemens Gas and Power GmbH & Co. KG signed a credit agreement for a syndicated credit facility with a maximum total volume of €3,000,000 thousand in August 2020, which had not been drawn on as of the balance sheet date. With accession on October 6, 2020, Siemens Energy AG undertook to be jointly and severally liable for this credit facility.

Siemens Energy AG has issued unrestricted letters of comfort for two subsidiaries to be liable for all obligations within the meaning of Section 264 para. 3 s. 1 No. 2 German Commercial Code, which are contained in the Annual Financial Statements of these subsidiaries for fiscal

year 2020 and were entered into before the balance sheet date of September 30, 2020. These obligations comprise liabilities and provisions recognized in the Annual Financial Statements of the subsidiaries as of September 30, 2020, as well as unrecognized contingent liabilities and obligations from pending transactions. The letters of comfort and the associated obligations to assume liabilities end at the end of fiscal year 2021.

Siemens Energy AG only enters into guarantees and other commitments after careful consideration of the risks concerned and, in general, only in relation to its own business activities or those of affiliated companies. Based on an ongoing risk evaluation of the arrangements entered into and taking into account all information available up to the date on which the Annual Financial Statements were issued for approval, Siemens Energy AG currently concludes that the relevant primary debtors are able to fulfill the underlying obligations. For this reason, it is not deemed to be probable that Siemens Energy AG will be called upon in conjunction with any of the guarantees and commitments described above.

In the Spin-Off and Transfer Agreement dated May 22, 2020, Siemens AG and Siemens Energy AG undertook to mutually indemnify each other against liability obligations pursuant to Section 133 German Transformation Act to the extent that such obligations are allocable to the relevant party obligated to indemnify, but, in external relations, claims can be asserted against the other party.

NOTE 14 Appropriation of net income (loss)

Due to the Net income of Siemens Energy AG amounting to €0 thousand no dividend will be paid for fiscal year 2020. The Net income will be carried forward.

NOTE 15 Remuneration of the members of the Executive Board and the Supervisory Board

Individualized information about the remuneration of the Executive Board and the Supervisory Board is presented in the Compensation Report, which is part of the Combined Group Management Report.

Remuneration of the members of the Executive Board

For the term of office from October 1, 2019 to March 31, 2020, Martin Rohbogner and Wolfgang Seltmann were assigned to Siemens AG and did not receive any additional compensation for their work on the Executive Board. For the term of office from April 1, 2020 and May 1, 2020 respectively to September 30, 2020, the members of the Executive Board received their compensation from Siemens Gas and Power Management GmbH.

Remuneration of the members of the Supervisory Board

Until September 25, 2020, the members of the Supervisory Board did not receive any remuneration. For the period from September 25, 2020 up to and including September 30, 2020, the compensation of the members of the Supervisory Board comprised a pro rata basic compensation and additional remuneration for committee activities, including attendance fees, totaling €170 thousand.

NOTE 16 Declaration of Compliance with the German Corporate Governance Code

The Managing and Supervisory Boards of Siemens Energy AG provided the declaration required by Section 161 German Stock Corporation Act as of November, 2020, and made them publicly available under the following link on the Siemens Energy website: <https://www.siemens-energy.com/global/en/company/investor-relations/corporate-governance.html#GermanCorporateGovernanceCode>.

NOTE 17 Events of special significance after the balance sheet date

In order to commence activities as a listed holding company of the Siemens Energy Group, Siemens Energy AG had concluded various agreements with Siemens Gas and Power GmbH & Co. KG and Siemens Gas and Power Management GmbH before the annual financial statements were prepared on November 27, 2020. The agreements provide that Siemens Energy AG will take over staff from Siemens Gas and Power GmbH & Co. KG, starting from October 1, 2020, to carry out its holding activities. In the course of this, Siemens Energy AG assumes remuneration obligations for members of the Executive Board, which Siemens Gas and Power Management GmbH has recognized as expenses until September 30, 2020. The personnel expenses and income from the provision of services to affiliated companies associated with the commencement of activities as a listed holding company will, as expected, lead to a significant change in the net assets, financial position and results of operations in the coming fiscal year. However, until the end of the share buyback program, which will end on March 31, 2021, at the latest, an agreement between Siemens Energy AG and Siemens Gas and Power GmbH & Co. KG will ensure that Siemens Energy AG is released from all expenses based on the company law requirements for the share buyback.

NOTE 18 Members of the Supervisory Board and Managing Board and their mandates

Members of the Executive Board and their mandates

In fiscal year 2020, the Executive Board comprised the following members:

Name	Date of birth	First appointed	Term expires
Dr.-Ing. Christian Bruch President and Chief Executive Officer	April 7, 1970	May 1, 2020	April 30, 2025
Dr.-Ing. Jochen Eickholt	January 26, 1962	April 1, 2020	September 30, 2023
Maria Ferraro	May 21, 1973	May 1, 2020	September 30, 2023
Tim Holt	September 1, 1969	April 1, 2020	September 30, 2023
Martin Rohbogner (until April 1, 2020) ³	April 27, 1978	August 9, 2019	April 1, 2020
Wolfgang Seltmann (until April 1, 2020) ³	July 18, 1963	August 9, 2019	April 1, 2020

¹ Listed company.

² Advisory Board.

³ Previously Managing Director of Kyros 52 GmbH (legal predecessor of Siemens Energy AG).

⁴ As of April 1, 2020.

⁵ Group mandate as of April 1, 2020.

Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises

**External positions
(as of September 30, 2020)**

**Group Company positions
(as of September 30, 2020)**

Positions outside Germany:
• Lenzing AG, Austria¹

Positions outside Germany:
• EthosEnergy Group Ltd., U.K. (Deputy Chairman)
• Voith Hydro GmbH & Co. KG, Austria (Deputy Chairman)²

Positions outside Germany:
• EthosEnergy Group Ltd., U.K.
• Siemens Ltd., India¹

Positions outside Germany:
• Siemens Gamesa Renewable Energy S.A., Spain¹

Positions outside Germany:
• Siemens Energy Ltd., Saudi Arabia
• Siemens Energy WLL, Qatar
• Siemens Gamesa Renewable Energy S.A., Spain¹

German positions:^{4,5}
• evosoft GmbH
Positions outside Germany:^{4,5}
• evosoft Kft, Hungary

Members of the Supervisory Board and their mandates

As of September 30, 2020, the Supervisory Board of Siemens Energy AG had ten members (shareholder representatives). Upon completion of the status procedure ("Statusverfahren"), half of the future members (total 20 members) will represent Company shareholders, and half will represent Company employees, as stipulated by the

German Codetermination Act ("Mitbestimmungsgesetz"). The shareholder representatives on the Supervisory Board will be elected at the general shareholders' meeting for the first time on February 10, 2021 by a simple majority vote. Elections to the Supervisory Board are conducted, as a rule, on an individual basis. The Supervisory Board's employee representatives are elected in accordance with the provisions of the German Codetermination Act.

In fiscal year 2020, the Supervisory Board comprised the following members:

Name	Occupation	Date of birth
Joe Kaeser Chairman	President and Chief Executive Officer of Siemens Aktiengesellschaft	June 23, 1957
Dr.-Ing. Hubert Lienhard Deputy Chairman	Member of the Supervisory Boards of various German enterprises	January 12, 1951
Dr. Christine Bortenlänger	Managing Director Deutsches Aktieninstitut e. V.	November 17, 1966
Sigmar Gabriel	Former minister, author, and publicist	September 12, 1959
Steffen Großberger (until September 25, 2020)	Senior Manager Shareholder Controlling Germany at Siemens Aktiengesellschaft	April 26, 1972
Peter Kastenmeier Chairman (until September 25, 2020)	Head of Shareholder Controlling Germany at Siemens Aktiengesellschaft	September 26, 1960
Hildegard Müller	President of the Verband der Automobilindustrie e.V.	June 29, 1967
Laurence Mulliez	Chair of the Board of Directors of Volitalia SA and President of Globeleq Ltd.	February 6, 1966

Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2020)

Member since	Term expires ¹	
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Daimler AG, Stuttgart, Germany² • Mercedes-Benz AG, Stuttgart, Germany • Siemens Energy Management GmbH, Munich, Germany (Chairman) <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • NXP Semiconductors N.V., Netherlands² • Siemens Ltd., India^{2,4}
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany² • Heraeus Holding GmbH, Hanau, Germany • Siemens Energy Management GmbH, Munich, Germany • SMS GmbH, Düsseldorf, Germany • SMS group GmbH, Düsseldorf, Germany • Voith GmbH & Co. KGaA, Heidenheim an der Brenz, Germany³
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Covestro AG, Leverkusen, Germany² • Covestro Deutschland AG, Leverkusen, Germany • MTU Aero Engines AG, Munich, Germany² • Osram GmbH, Munich, Germany • Osram Licht AG, Munich, Germany² • Siemens Energy Management GmbH, Munich, Germany • TÜV Süd AG, Munich, Germany
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Deutsche Bank AG, Frankfurt am Main, Germany² • GP Günter Papenburg AG, Hanover, Germany • Siemens Energy Management GmbH, Munich, Germany
August 9, 2019	September 25, 2020	<p>German positions⁶:</p> <ul style="list-style-type: none"> • Kyros 51 Aktiengesellschaft, Munich, Germany⁴
August 9, 2019	September 25, 2020	<p>German positions⁶:</p> <ul style="list-style-type: none"> • Flender GmbH, Bocholt, Germany⁴ • Kyros 51 Aktiengesellschaft, Munich, Germany (Chairman)⁴ • Maschinenfabrik Reinhausen GmbH, Regensburg, Germany⁴ • RISICOM Rückversicherung AG, Grünwald, Germany⁴ • Siemens Gas and Power Management GmbH Munich, Germany^{4,7} • Siemens Logistics GmbH, Konstanz, Germany⁴
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Siemens Energy Management GmbH, Munich, Germany • Vonovia SE, Bochum, Germany²
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Siemens Energy Management GmbH, Munich, Germany <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • Globeleq Ltd., U.K. • Morgan Advanced Materials plc, U.K.² • SBM Offshore N.V., Netherlands² • Volitalia SA, France (Chairman)²

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Name	Occupation	Date of birth
Matthias Rebellius	Member of the Managing Board of Siemens Aktiengesellschaft ⁵ and Chairman of Siemens Schweiz AG	January 2, 1965
Christian Schmid (until September 25, 2020)	Senior Manager of Shareholder Controlling Germany at Siemens Aktiengesellschaft	December 7, 1961
Prof. Dr. rer. pol. Ralf P. Thomas	Chief Financial Officer and member of the Managing Board of Siemens Aktiengesellschaft	March 7, 1961
Geisha Jimenez Williams	Independent Energy advisor	July 21, 1961
Randy Zwirn	Member of the Board of Directors at Babcock Power Inc.	February 11, 1954

¹ The term ends at the conclusion of the general shareholders' meeting.

² Listed company.

³ Shareholders' Committee.

⁴ Group mandate.

⁵ From October 1, 2020.

⁶ As of September 25, 2020.

⁷ Now Siemens Energy Management GmbH. Mr. Kastenmeier left the Supervisory Board on September 25, 2020.

Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2020)

Member since	Term expires ¹	
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Siemens Energy Management GmbH, Munich, Germany • Siemens Mobility GmbH, Munich, Germany⁴ <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • Siemens Ltd., Australia⁴
August 9, 2019	September 25, 2020	<p>German positions⁶:</p> <ul style="list-style-type: none"> • Kyros 51 Aktiengesellschaft, Munich, Germany⁴
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Siemens Energy Management GmbH, Munich, Germany • Siemens Healthcare GmbH (Chairman), Munich, Germany⁴ • Siemens Healthineers AG (Chairman), Munich, Germany^{2,4} <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • Siemens Proprietary Limited (Chairman), South Africa⁴
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Siemens Energy Management GmbH, Munich, Germany <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • Osmose Utility Services, Inc., U.S.A.
September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Siemens Energy Management GmbH, Munich, Germany <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • Babcock Power Inc., U.S.A.

NOTE 19 List of subsidiaries and associated companies pursuant to Section 285 para. 11, 11a and 11b German Commercial Code

As of September 30, 2020	Net income in millions of € [1]	Equity in millions of € [1]	Equity interest in %	
Germany (9 companies)				
HSP Hochspannungsgeräte GmbH, Troisdorf	0	2	100	
Infineon Technologies Bipolar GmbH & Co. KG, Warstein	1	52	40	[5]
Maschinenfabrik Reinhausen GmbH, Regensburg	89	370	20	[4] [6]
Siemens Gamesa Renewable Energy Deutschland GmbH, Bremerhaven	150	(881)	100	
Siemens Gamesa Renewable Energy GmbH & Co. KG, Hamburg	128	191	100	
Siemens Gamesa Renewable Energy Service GmbH, Hamburg	(15)	7	100	
Siemens Gas and Power GmbH & Co. KG, Munich	(577)	21,578	100	
Siemens Gas and Power Management GmbH, Munich	(0)	0	100	
Voith Hydro Holding GmbH & Co. KG, Heidenheim	7	84	35	[3]
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (without Germany) (47 companies)				
Siemens Gamesa Renewable Energy NV, Beersel/ Belgium	1	4	100	
Siemens Gamesa Renewable Energy A/S, Brande/ Denmark	(133)	240	100	
Siemens Technologies S.A.E., Cairo/ Egypt	2	18	90	
D-R Holdings (France) SAS, Le Havre/ France	0	101	100	
Dresser-Rand SAS, Le Havre/ France	(47)	80	100	
Siemens Energy S.A.S., Saint-Denis Cedex/ France	8	261	100	
Trench France SAS, Saint-Louis/ France	6	39	100	
Siemens Energy Ltd., Rosh HaAyin/ Israel	6	29	100	
Siemens Energy S.r.l., Milan/ Italy	4	74	100	
D-R Luxembourg International SARL, Luxembourg/ Luxembourg	(4)	27	100	
Siemens Gamesa Renewable Energy Blades, SARL AU, Tangier/ Morocco	(12)	10	100	
Dresser-Rand B.V., Spijkensisse/ Netherlands	0	337	100	
Siemens D-R Holding III B.V., The Hague/ Netherlands	(1)	113	100	
Siemens Energy B.V., Zoeterwoude/ Netherlands	(25)	864	100	
Siemens Gas and Power Holding B.V., Zoeterwoude/ Netherlands	20	2,049	98	
Siemens Gas Turbine Technologies Holding B.V., The Hague/ Netherlands	24	108	65	
Siemens Energy Ltd., Lagos/ Nigeria	6	33	100	

[1] The values correspond to the annual financial statements after a possible profit transfer, for subsidiaries according to the IFRS closing.

[3] Values from fiscal year October 1, 2018 – September 30, 2019

[4] Values from fiscal year January 1, 2019 – December 31, 2019

[5] Values from fiscal year October 1, 2017 – September 30, 2018

[6] Legal ownership 0%, whereas economic ownership has already been transferred from the Siemens Group to the Siemens Energy Group.

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As of September 30, 2020	Net income in millions of € [1]	Equity in millions of € [1]	Equity interest in %	
Dresser-Rand AS, Kongsberg/ Norway	(20)	38	100	
Siemens Energy AS, Oslo/ Norway	3	22	100	
SIEMENS GAMESA RENEWABLE ENERGY AS, Oslo/ Norway	(2)	8	100	
Siemens Gamesa Renewable Energy Poland Sp. z o.o., Warsaw/ Poland	1	12	100	
Ria Blades S.A., Sosa/ Portugal	(6)	34	100	
OOO Siemens Gas Turbine Technologies, Leningrad region/ Russian Federation	17	42	100	
OOO Siemens Transformers, Voronezh/ Russian Federation	1	17	100	
Siemens Energy (Pty) Ltd, Midrand/ South Africa	2	15	100	
Adwen Offshore, S.L., Zamudio/ Spain	(8)	1,297	100	
Gamesa Electric, S.A. Unipersonal, Zamudio/ Spain	1	96	100	
Gamesa Energy Transmission, S.A. Unipersonal, Zamudio/ Spain	4	102	100	
Guascor Explotaciones Energéticas, S.A., Vitoria-Gasteiz/ Spain	1	3	100	
Siemens Energy S.A., Vitoria-Gasteiz/ Spain	(9)	223	100	
SIEMENS ENGINES SA, Zumaia/ Spain	(10)	40	100	
Siemens Gamesa Renewable Energy Eolica, S.L., Valle de Egues/ Eguesibar/ Spain	(92)	4,818	100	
Siemens Gamesa Renewable Energy Innovation & Technology, S.L., Sarriguren/ Spain	(137)	828	100	
Siemens Gamesa Renewable Energy Latam, S.L., Sarriguren/ Spain	(24)	43	100	
Siemens Gamesa Renewable Energy S.A., Zamudio/ Spain	269	4,461	67	
Siemens Gamesa Renewable Energy Wind Farms, S.A., Zamudio/ Spain	(16)	5,071	100	
Windar Renovables, S.L., Avilés/ Spain	8	103	32	[4]
Siemens Energy AB, Finspång/ Sweden	31	378	100	
Dresser Rand Sales Company GmbH, Zurich/ Switzerland	(1)	10	100	
Siemens Enerji Sanayi ve Ticaret Anonim Sirketi, Istanbul/ Turkey	5	(1)	100	
Siemens LLC, Abu Dhabi/ United Arab Emirates	28	42	49	
Dresser-Rand (U.K.) Limited, Frimley, Surrey/ United Kingdom	0	0	100	
Ethos Energy Group Limited, Aberdeen/ United Kingdom	(26)	253	49	[4]
Industrial Turbine Company (UK) Limited, Frimley, Surrey/ United Kingdom	(190)	229	100	
RWG (Repair & Overhauls) Limited, Aberdeen/ United Kingdom	23	101	50	[4]
Siemens Energy Limited, Frimley, Surrey/ United Kingdom	(10)	11	100	
Siemens Industrial Turbomachinery Ltd., Frimley, Surrey/ United Kingdom	(8)	542	100	
Americas (23 companies)				
Siemens S.A., Buenos Aires/ Argentina	8	19	100	
Chemtech Servicos de Engenharia e Software Ltda., Rio de Janeiro/ Brazil	1	4	100	

[1] The values correspond to the annual financial statements after a possible profit transfer, for subsidiaries according to the IFRS closing.

[4] Values from fiscal year January 1, 2019 – December 31, 2019

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Table continued from page 23

As of September 30, 2020	Net income in millions of € [1]	Equity in millions of € [1]	Equity interest in %	
Dresser-Rand do Brasil, Ltda., Santa Bárbara D'Oeste/ Brazil	(1)	38	100	
Guascor do Brasil Ltda., São Paulo/ Brazil	2	37	100	
Industrial Turbine Brasil Geracao de Energia Ltda., Duque de Caxias/ Brazil	3	4	100	
Siemens Gamesa Energia Renovável Ltda., Camaçari/ Brazil	(64)	36	100	
Siemens Ltda., São Paulo/ Brazil	(22)	102	100	
Dresser-Rand Canada, ULC, Vancouver/ Canada	4	38	100	[2]
Siemens Energy Canada Limited, Oakville/ Canada	(39)	120	100	
Siemens Energy SpA, Santiago de Chile/ Chile	(22)	29	100	
Siemens Energy S.A.S., Tenjo/ Colombia	(3)	17	100	
Siemens Energy, S. de R.L. de C.V., Mexico City/ Mexico	66	88	100	
Siemens Gesa Renewable Energy, S.A. de C.V., Mexico City/ Mexico	(41)	129	100	
Advanced Airfoil Components LLC, Wilmington, DE/ United States	(25)	36	51	
Dresser-Rand Company, Olean, NY/ United States	59	3,765	100	
Dresser-Rand Global Services, Inc., Wilmington, DE/ United States	(10)	39	100	
Dresser-Rand Group Inc., Wilmington, DE/ United States	(24)	4,204	100	
Dresser-Rand LLC, Wilmington, DE/ United States	0	2,296	100	
Pocahontas Prairie Wind, LLC, Dover, DE / United States	2	(81)	100	
Siemens Energy, Inc., Wilmington, DE/ United States	(12)	8,077	100	
Siemens Gamesa Renewable Energy PA, LLC, Wilmington, DE/ United States	0	300	100	
Siemens Gamesa Renewable Energy, Inc., Wilmington, DE/ United States	(9)	635	100	
Wheelabrator Air Pollution Control Inc., Baltimore, MD/ United States	2	145	100	
Asia, Australia (13 companies)				
Siemens Energy Pty. Ltd., Bayswater/ Australia	7	32	100	
Siemens Energy Co., Ltd., Shanghai Pilot Free Trade Zone/ China	22	131	100	
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd., Shanghai/ China	13	104	100	
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd., Tianjin/ China	14	569	100	
Siemens Transformer (Jinan) Co., Ltd, Jinan/ China	10	49	90	
Siemens Transformer (Wuhan) Company Ltd., Wuhan City/ China	2	6	100	
Dresser-Rand India Private Limited, Navi Mumbai/ India	13	118	100	
Siemens Gamesa Renewable Power Private Limited, Chennai/ India	(462)	1,160	100	
Siemens Limited, Mumbai/ India	141	1,172	24	[3]
Siemens Energy Ltd., Seoul/ Korea, Republic of	(13)	15	100	
Siemens Energy Sdn. Bhd., Petaling Jaya/ Malaysia	9	(35)	100	
Siemens Energy Limited, Bangkok/ Thailand	(2)	79	99	
Siemens Gas and Power Limited Company, Ho Chi Minh City/ Vietnam	11	(24)	100	

[1] The values correspond to the annual financial statements after a possible profit transfer, for subsidiaries according to the IFRS closing.

[2] A consolidated affiliated company of Siemens Energy AG is a shareholder with unlimited liability of this company.

[3] Values from fiscal year October 1, 2018 – September 30, 2019

Additional Information



2.1 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Management Report for Siemens Energy AG, which has

been combined with the Group Management Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Munich, November 27, 2020

Siemens Energy AG
The Executive Board



Christian Bruch



Maria Ferraro



Jochen Eickholt



Tim Holt

2.2 Independent Auditor's Report

To Siemens Energy AG, Munich

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of Siemens Energy AG, Munich, which comprise the income statement for the fiscal year from October 1, 2019 to September 30, 2020, the balance sheet as of September 30, 2020 and the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Siemens Energy AG, which is combined with the group management report, for the fiscal year from October 1, 2019 to September 30, 2020. In accordance with the German legal requirements we have not audited the content of chapter 1.9.4 Corporate Governance Statement of the Combined Management Report, including chapter 3.4 of the Annual Report 2020 referred to in chapter 1.9.4.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of September 30, 2020 and of its financial performance for the fiscal year from October 1, 2019 to September 30, 2020 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the Corporate Governance Statement referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB [“Handelsgesetzbuch“: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as »EU Audit Regulation«) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). In conducting the audit of the annual financial statements we also complied with International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the »Auditor's responsibilities for the audit of the annual financial statements and of the management report« section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from October 1, 2019 to September 30, 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matter:

Initial measurement of non-current financial assets

Reasons why the matter was determined to be a key audit matter: In fiscal year 2020, Siemens Aktiengesellschaft and Siemens Beteiligungen Inland GmbH contributed their limited partnership interest in Siemens Gas and Power GmbH & Co. KG (since October 15, 2020: Siemens Energy Global GmbH & Co. KG) and their shares in the general partner Siemens Gas and Power Management GmbH (since October 12, 2020: Siemens Energy Management GmbH) through a combination of contributions in kind and spin-off in accordance with the German Transformation Act [Umwandlungsgesetz], in each case in return for the granting of shares (capital increases in kind and spin-off capital increase) to Siemens Energy AG. The determination of the acquisition cost of the shares transferred by the contributions in kind at the minimum nominal value and of the shares transferred by spin-off by carry over the book values of the transferring legal entity Siemens Aktiengesellschaft resulted in total acquisition costs of the shares in affiliated companies of €13 billion.

We considered the initial measurement and the determination of the acquisition cost pursuant to Sec. 255 HGB of the shares transferred by contributions in kind and spin-off to be an area posing a significant risk of material misstatement and accordingly a key audit matter, due to the materiality of the financial assets in relation to total assets as well as the judgment involved in determining the acquisition cost.

Auditor's response: As part of our audit procedures, we analyzed the contribution agreement with respect to the contributions in kind as well as the spin-off and transfer agreement with respect to the spin-off and the agreements reached therein on the accounting for commercial and for tax purposes by the absorbing legal entity. In addition, we examined the joint spin-off report issued by the Managing Board of Siemens Aktiengesellschaft and the Managing Board of Siemens Energy AG, the audit report issued by the judicially appointed spin-off auditor, the post-formation report of the Supervisory Board as well as the audit reports on the post-formation and contributions in kind including the regulations of the German Stock Corporation Act.

We assessed the conformity of the acquisition cost determined by management with the relevant provisions of German commercial law and professional pronouncements and evaluated the recognition in the financial statements in terms of methodology as well as reperformed the calculations including matching the book values carried over from Siemens Aktiengesellschaft. We further examined the accounting for the capital increases in kind as well as the spin-off capital increase and the presentation in equity and assessed the disclosures in the notes to the financial statements with respect to the contributions in kind and the spin-off.

Our audit procedures did not lead to any reservations relating to the initial measurement of non-current financial assets.

Reference to related disclosures: With regard to the recognition and measurement policies applied for the initial measurement of non-current financial assets, refer to the notes to the financial statements in chapter 1.3.2 Accounting and Measurement Principles and with respect to financial assets, refer to chapter 1.3.4 Notes to the Balance Sheet, Note 7 Non-current assets.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board in chapter 3.3 of the Annual Report 2020. Management and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the Corporate Governance Code, which is part of the Corporate Governance Statement in chapter 3.4. In all other respects, management is responsible for the other information. The other information comprises the Corporate Governance Statement referred to above. In addition, the other information comprises parts to be included in the report »Annual Financial Statements of Siemens Energy AG for the fiscal year ended September 30, 2020« und in the Annual Report 2020, of which we received a version prior to issuing this auditor's report, in particular:

- the Responsibility Statement according to Sec. 264 (2) Sentence 3 and Sec. 289 (1) Sentence 5 HGB in chapter 2.1 of the report »Annual Financial Statements of Siemens Energy AG for the fiscal year ended September 30, 2020«,

- the notes in chapter 2.3 of the report »Annual Financial Statements of Siemens Energy AG for the fiscal year ended September 30, 2020«;
- the sections »Siemens Energy Group at a glance«, »Letter to our Shareholders«, »Our leadership team« and »About this Report« in the Annual Report 2020;
- the Responsibility Statement in chapter 3.1 of the Annual Report 2020,
- the Report of the Supervisory Board in chapter 3.3 of the Annual Report 2020,
- Corporate Governance pursuant to Section 289f and 315d of the German Commercial Code in chapter 3.4 of the Annual Report 2020, and
- Notes and forward-looking statements in chapter 3.5 of the Annual Report 2020.

The other information also comprises the group non-financial report, of which we received a version prior to issuing this auditor's report.

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

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

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Supervisory Board for the annual financial statements and the management report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as it, in accordance with German legally required accounting principles has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as management has considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation as well as in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW and in supplementary compliance with ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

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

OTHER LEGAL AND REGULATORY REQUIREMENT

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual Shareholders' Meeting on April 1, 2020. We were engaged by the Supervisory Board on August 25, 2020. We have been the auditor of Siemens Energy AG without interruption since the fiscal year from October 1, 2016 to September 30, 2017. The maximum period pursuant to Art. 17 of the EU Audit Regulation starts with fiscal year 2021.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report:

In addition to auditing the statutory financial statements of Siemens Energy AG, we performed the statutory audit of Siemens Energy's consolidated financial statements, audits of financial statements of subsidiaries of Siemens Energy AG, reviews of interim financial statements being integrated into the audit as well as project-accompanying IT audits.

Other Attestation Services include primarily attestation services related to the sustainability reporting, comfort letters and other attestation services required under regulatory requirements, contractually agreed or requested on a voluntary basis, among others in connection with the carve-out of the Gas and Power business.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Thomas Spannagl.

Munich, November 27, 2020

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft



Spannagl
Wirtschaftsprüfer
[German Public Auditor]



Müller
Wirtschaftsprüferin
[German Public Auditor]

2.3 Further Information

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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.

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