SIEMENS energy

Compensation Report

for fiscal year 2023, along with the audit report of the independent auditor, in accordance with Section 162 of the German Stock Corporation Act (AktG)



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Munich, December 5, 2023

Dear Shareholders,

In fiscal year 2023, the Supervisory Board and in particular the Presiding Committee of the Supervisory Board devoted considerable attention to the Executive Board's compensation. This work focused on reviewing and setting target compensation for members already serving on the Executive Board as well as for new members, while also evaluating the Executive Board's targets for fiscal year 2023.

In November 2022, Maria Ferraro and Tim Holt were reappointed ahead of time for further five-year terms as members of the Executive Board. Concurrent with the reappointment, the Supervisory Board reviewed their compensation. After evaluating typical market compensation for chief financial officers, the Supervisory Board approved a moderate adjustment for Maria Ferraro, who has taken on a greater role as CFO in general and specifically with the integration of Siemens Gamesa in Siemens Energy and the Company's organizational structure introduced from October 1, 2022. More than half of the adjustment was made in the long-term compensation component, Siemens Energy Stock Awards. For Tim Holt, whose place of employment is in the United States, the Supervisory Board agreed on a target compensation denominated in US Dollars to mitigate currency risks both for the Company and for him.

Further, the Supervisory Board reviewed Dr.-Ing. Christian Bruch's compensation – which had been unchanged since his initial appointment on May 1, 2020 – and approved a moderate adjustment oriented towards the long term. The newly appointed members of the Executive Board received market-appropriate target compensation that reflects their first-time appointment to the Executive Board.

With the organizational structure introduced from October 1, 2022, each of Siemens Energy's Business Areas, apart from Siemens Gamesa, is led by a member of the Executive Board. To guarantee a causal link between compensation and the performance of each Business Area, members of the Executive Board with direct business responsibility received financial targets in their short-term variable compensation for fiscal year 2023 for which one half depended on the performance of the respective Business Area.

The Business Areas Gas Services, Grid Technologies and Transformation of Industry continued the positive trend from the previous year and again achieved solid progress toward meeting their mid-term goals. Each Business Area achieved or exceeded their communicated guidance for profitability. Generation of free cash flow was substantially better than expected in these Business Areas – and consequently also at the Group level. The outstanding performance in this area could even more than compensate for Siemens Gamesa substantially missing its target.

The Business Areas' strong financial results are reflected in the target attainment for Tim Holt, Karim Amin and Anne-Laure de Chammard's short-term variable compensation. The Supervisory Board also sees the Business Areas, apart from Siemens Gamesa, on a positive or even very positive track with regard to operational performance and other key aspects like customer satisfaction.

By contrast, Siemens Gamesa faced serious setbacks. In fiscal year 2023, by fully acquiring Siemens Gamesa and initiating its integration, the Executive Board set the necessary strategic course to successfully turn around the business. However, following this, significant quality issues and ramp-up challenges came to light, which the Executive Board is addressing with a package of measures and the Supervisory Board is supporting through a special committee created specifically for this purpose. Nevertheless, substantially due to Siemens Gamesa, fiscal year 2023 was not a satisfying year for our shareholders. This has a particularly strong impact on the long-term component of the Executive Board's compensation. For example, the value of Siemens Energy Stock Awards tranches 2021, 2022 and 2023 is currently estimated at well under the target value. The setbacks owing to Siemens Gamesa are also acutely felt in short-term variable compensation for fiscal year 2023, most notably in the component Group Profit margin before Special Items, where target attainment is 0%.

For fiscal year 2024, the Supervisory Board will continue to ensure that the Executive Board's compensation reflects the performance of individual members and also as a group. Further, the Supervisory Board will be engaged with reviewing and improving the compensation system for the members of the Executive Board, with the goal of creating an even stronger alignment between performance and variable compensation. This will be accompanied a review of whether the compensation system should be addressed by a separate compensation committee. The compensation system will be presented to the Annual Shareholders' Meeting 2025 for approval.

This report should allow you, the shareholders, to have a transparent view of compensation for the Executive and Supervisory Boards. Like all of my colleagues on the Supervisory Board, in these challenging times I particularly value continued dialogue with you on this important issue.

For the Presiding Committee of the Supervisory Board



Joe Kaeser
Chairman

This combined report by the Executive and Supervisory Boards is based on the requirements of Section 162 of the German Stock Corporation Act (Aktiengesetz) as well as relevant requirements in International Financial Reporting Standards (IFRS) and recommendations and suggestions in the German Corporate Governance Code. The compensation report includes individualized disclosure of compensation awarded or due to the members of the Executive Board and members of the Supervisory Board in fiscal year 2023 (October 1, 2022 to September 30, 2023) and fiscal year 2022 (October 1, 2021 to September 30, 2022) as well as other disclosures required by the German Stock Corporation Act. The content of the report was subject to an audit by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft.

The compensation report will be presented for approval to the Annual Shareholders' Meeting 2024. The compensation report for fiscal year 2022 was approved by 96.68% by the Annual Shareholders' Meeting on February 7, 2023.

Compensation of the members of the Executive Board

This report explains how the compensation system in effect for the members of the Executive Board since October 1, 2020 was applied in fiscal year 2023. The compensation system was approved by the Annual Shareholders' Meeting of Siemens Energy AG on February 10, 2021 with 96.70% of the votes cast ("Say on Pay"). Shareholders will be asked to again approve the compensation system in the event of significant changes or, at the latest, at the Annual Shareholders' Meeting in 2025. A full description of the compensation system for the members of the Executive Board can be found in Siemens Energy AG's Notice of Annual Shareholders' Meeting 2021, which is available for download on the Company's internet site.

Each of the Executive Board members in office as of September 30, 2023 receive their compensation based on an employment contract with Siemens Energy AG that runs parallel to their appointment to the Executive Board. Dr.-Ing. Christian Bruch, Maria Ferraro, Anne-Laure de Chammard and Vinod Philip receive their compensation exclusively from Siemens Energy AG. Karim Amin and Tim Holt receive a portion of their compensation from Siemens Energy Group companies. For fiscal year 2023, Karim Amin received approximately 56% of his total target compensation from Siemens Energy LLC (United Arab Emirates), and Tim Holt received around 33% of his total target compensation from Siemens Energy Inc. (United States). Karim Amin received approximately 44% and Tim Holt approximately 67% of their respective total target compensation from Siemens Energy AG. The additional employment relationships with Siemens Energy Group companies thus do not lead to any additional compensation. In accordance with Section 162 para. 1 of the German Stock Corporation Act, the table "Compensation awarded or due" discloses the total compensation from all group companies.

Consideration of Siemens Gamesa in compensation for Siemens Energy's Executive Board

A significant portion of variable compensation for the members of Siemens Energy's Executive Board (approximately 60% for members of the Executive Board with direct responsibility for a Business Area and 75% for other members) is linked to financial performance criteria that are measured on the Siemens Energy Group level, which includes Siemens Gamesa. In the short-term variable compensation (Bonus) this is Profit Margin before Special Items as well as Free cash flow (pre-tax) and in the long-term variable compensation (Siemens Energy Stock Awards) relative total shareholder return and earnings per share. In addition, individual qualitative targets relating to the full acquisition and integration of Siemens Gamesa were set for Dr.-Ing. Christian Bruch and Maria Ferraro in their Bonus for fiscal year 2023.

For fiscal year 2023, the target compensation for Dr.-Ing. Jochen Eickholt, the CEO of Siemens Gamesa, was set based on Siemens Gamesa's existing compensation practices. This included targets in his short-term variable compensation that relate exclusively to Siemens Gamesa. Dr.-Ing. Jochen Eickholt is not a member of Siemens Energy's Executive Board and thus is not subject to reporting requirements according to Section 162 para 1 of the German Stock Corporation Act.

Key elements of Executive Board compensation

The compensation of the Executive Board in fiscal year 2023 complies with all applicable recommendations and suggestions in the version of the German Corporate Governance Code dated April 28, 2022. Executive Board compensation is based on the following principles:

Key principles of Executive Board compensation

Contribution to the Company's strategy	The compensation system for members of the Executive Board should contribute to implementing the Company's strategy by setting appropriate incentives.
Sustainable orientation of compensation	Within the variable compensation, a substantial portion is determined based on performance measurement over a multi-year period. The focus on sustainability is further strengthened by anchoring performance criteria reflecting environmental, social and governance (ESG) factors in the long-term equity-based compensation.
Focus on industry-specific requirements	Executive Board compensation can be structured to reflect the Company's specific challenges, for example, by way of differentiation in compensation levels based on a specific function, or via the flexibility to adjust relative performance measurement in line with growing business segments.
Alignment of performance and pay	Exceptional performance should be rewarded appropriately in compensation. Performance under the established targets should lead to an appreciable reduction in compensation.
Consideration of Executive Board members' collective and individual performance	The compensation system offers the Supervisory Board the possibility to, on the one hand, consider Executive Board members' individual responsibilities and, on the other hand, their overall performance as a governing body.
Consistency of compensation systems throughout the organization	The compensation system for members of the Executive Board is compatible with compensation systems for the management and employees of the Group.
Appropriateness of compensation	Executive Board members' compensation is appropriate for the market and takes consideration of the Company's size, complexity, and economic situation.

Overview of Executive Board compensation in fiscal year 2023

Compensation element	Description		Purpose/Link to strategy
Fixed components			
Base salary	Twelve monthly installments (exceptions permitted for place of employment outside of Germany)		Market-aligned base pay for carrying out Executive Board responsibilities
Fringe benefits	Benefits such as a company car, subsidies for insurance policies, tax advisory fees and housing and relocation expenses (first time appointment or change of place of employment), including any tax gross-ups covered by the Company		Costs covered up to an appropriate level
Retirement benefits	Pension substitute in the form of an unrestricted cash payment		Allows members to build up an appropriate level of retirement savings on their own while minimizing risks for the Company
Variable components			
Short-term variable compensation (Bonus)	Main features: Performance period: one year Performance corridor: 0–150%		Incentives for excellent operational performance in line with the strategy
	Performance criteria	Profit margin before Special Items: 1/3 • CEO, CFO, EVP Global Functions[1]: 100% Siemens Energy Group • EVPs of the Business Areas[1]: 50% Siemens Energy Group, 50% Business Area	• Recognition for continuous improvement to profitability and thereby alignment with the long-term strategy
		Free cash flow ("FCF") pre tax: 1/3 • CEO, CFO, EVP Global Functions[1]: 100% Siemens Energy Group • EVPs of the Business Areas[1]: 50% Siemens Energy Group, 50% Business Area	• Assurance the necessary cash is generated at the Siemens Energy Group level
		Individual targets: 1/3	• Allows consideration of individual contributions in addition to the Board's collective performance; focused on strategically important areas
Long-term variable compensation (Stock Awards)	Main features: Vesting period: four years Performance corridor: 0–200% Payout cap: 250% of the target amount Settlement: in shares		Orientation of Executive Board compensation toward sustainability; alignment between the performance of Siemens Energy's share price and Executive Board compensation
	Performance criteria	Relative Total Shareholder Return ("TSR"): 40% • STOXX Global 1800 Industrial Goods & Services (50%) • S&P Global Clean Energy Index (50%)	• Alignment of compensation with a comparison of shareholder return versus relevant competitors on the capital market • Rewards successes on the path to becoming the world's most valued energy technology company, in particular in the clean energy sphere
		Earnings per share („EPS"; undiluted): 40%	• Incentivization of generating profits over the medium term, which is a central strategic value driver and reflects sustainable improvements to operations
		Environmental, Social & Governance ("ESG"): 20% • CO_2 emissions (1/3) • Employee Engagement (1/3) • Share of women in leadership positions (1/3)	• Promotion of sustainability as an integral part of the Company's strategy • Possibility to use quantitative metrics to incentivize elements of sustainability over a multi-year period
Other			
Share Ownership Guidelines	CEO: 300% of base salary Other members: 200% of base salary Adherence after a build-up phase of around 4.5 years; purchase requirement if share price falls		Aimed at fostering long-term commitment to the Company by the members of the Executive Board and orientation of their approach toward the Company's success

1 EVP: Executive Vice President

Criteria for assessing the appropriateness of Executive Board compensation

The review of the appropriateness of Executive Board compensation generally is conducted based on a comparison with German companies of similar size and complexity. As of September 30, 2023, Siemens Energy is a constituent of the DAX index, which comprises 40 of the largest publicly listed German companies. Given its relative positioning on the basis of revenue and number of employees around the median of the DAX, the Supervisory Board believes that this index represents a suitable peer group for Siemens Energy, which serves as the basis for the market assessment of the appropriateness of compensation.

In addition, the Supervisory Board takes account of Executive Board compensation in proportion to compensation for the workforce of Siemens Energy in Germany excluding Siemens Gamesa, including any changes over time. For this vertical comparison, the Supervisory Board determines the ratio of the Executive Board's compensation to the compensation of top executives (Senior Management contract group) and the rest of the workforce (employees covered by the collective bargaining agreement as well as professionals outside of the collective bargaining agreement) in Germany excluding Siemens Gamesa.

Composition of Executive Board compensation in fiscal year 2023

Executive Board compensation comprises both fixed and variable components. Target compensation represents the level of compensation that is realized if all targets are met and the price of Siemens Energy's shares remains constant. Target compensation thereby sets incentives for strong performance by the Company, the Executive Board as a whole and by each member. Failing to reach targets can lead to a substantial reduction in compensation, as each member of the Executive Board's target compensation is comprised mostly of variable compensation.

For fixed compensation as well as short- and long-term variable compensation, the compensation system for the members of the Executive Board defines ranges for each component as a percentage of total target compensation. The share of each compensation element was within the defined ranges for fiscal year 2023, as shown in the following table "Total target compensation fiscal year 2023". The share of each compensation element disclosed in the table "Compensation awarded or due" can deviate from these figures according to the actual level of target attainment and the first transfer of Siemens Energy shares as part of the long-term variable compensation in fiscal year 2025. For the period up until the first transfer of a Stock Awards tranche, the relative share of variable compensation as a part of compensation awarded or due will remain lower than its share of total target compensation.

Changes to Executive Board target compensation for fiscal year 2023

The Supervisory Board strives to set target compensation for members of the Executive Board that is appropriate for the market and attractive, in order to attract and retain the best executives for Siemens Energy. In fiscal year 2023, in addition to the appointment of two new members of the Executive Board, Anne-Laure de Chammard and Vinod Philip, the appointments of Maria Ferraro and Tim Holt were extended ahead of time. In this context, the Supervisory Board reviewed whether Executive Board members' target compensation reflected the importance and scope of their respective roles. This also included a review of market appropriateness by the Supervisory Board. Target compensation for Dr.-Ing. Christian Bruch, Maria Ferraro and Tim Holt had not been changed since their initial appointment on May 1, 2020 (Dr.-Ing. Bruch, Ferraro) and April 1, 2020 (Holt).

The Supervisory Board approved the following adjustments:

- **Dr.-Ing. Christian Bruch**: Increase of total target compensation by approximately 7.5% in line with a positioning of target compensation around the median of the DAX. To further strengthen long-term incentives, approximately 62% of the increase was conducted in the form of an increase to the target value for Siemens Energy Stock Awards.
- **Maria Ferraro**: Increase of total target compensation by approximately 15% in connection with the extension of her appointment to the Executive Board until November 30, 2027. With the organizational structure for Siemens Energy introduced with effect from October 1, 2022 and the acquisition of Siemens Gamesa, the Chief Financial Officer's role took on increased strategic importance and added operational responsibilities. This elevated role is reflected in target compensation for Maria Ferraro that is differentiated at a market-typical level. Approximately 55% of the adjustment to her compensation was made in the target value for Siemens Energy Stock Awards.
- **Tim Holt**: The United States is Tim Holt's place of employment, and his area of responsibility includes Siemens Energy Inc., a subsidiary of Siemens Energy in the United States. In connection with his reappointment as a member of the Executive Board until November 30, 2027, his compensation was contractually set in US Dollars. Target compensation for fiscal year 2023 (in US Dollars) was increased by approximately 1% compared with his total target compensation in 2021 and 2022 (in US Dollars). Due to exchange rate fluctuations, the value of his compensation in Euros can deviate from year to year.
- **Karim Amin**: Increase in base salary of 5%. This corresponds to an increase in total target compensation (on a full-year basis) of approximately 1%.

The following table shows the contractually agreed total target compensation for fiscal year 2023.

Total target compensation
Fiscal year 2023

		Fixed compensation				Variable compensation			
Members of the Executive Board in office as of September 30, 2023	(in k €)	Base salary	Pension substitute	Fringe benefits[1]	Sum	Bonus	Stock Awards Tranche 2023	Sum	Total
Dr.-Ing. Christian Bruch[2]	**Target**	**1,515**	**500**	**54**	**2,069**	**1,503**	**2,128**	**3,631**	**5,699**
	Share (%)	27%	9%	1%	36%	26%	37%	64%	100%
	Minimum	1,515	500	54	2,069	0	0	0	2,069
	Maximum	1,515	500	54	2,069	2,254	5,321	7,575	9,643
Maria Ferraro	**Target**	**810**	**250**	**23**	**1,083**	**810**	**1,180**	**1,990**	**3,073**
	Share (%)	26%	8%	1%	35%	26%	38%	65%	100%
	Minimum	810	250	23	1,083	0	0	0	1,083
	Maximum	810	250	23	1,083	1,215	2,950	4,165	5,248
Tim Holt[3]	**Target**	**833**	**276**	**48**	**1,157**	**796**	**1,085**	**1,881**	**3,038**
	Share (%)	27%	9%	2%	38%	26%	36%	62%	100%
	Minimum	833	276	48	1,157	0	0	0	1,157
	Maximum	833	276	48	1,157	1,194	2,713	3,907	5,064
Karim Amin[4]	**Target**	**693**	**150**	**60**	**903**	**660**	**880**	**1,540**	**2,443**
	Share (%)	28%	6%	2%	37%	27%	36%	63%	100%
	Minimum	693	150	60	903	0	0	0	903
	Maximum	693	150	60	903	990	2,200	3,190	4,093
Anne-Laure de Chammard (since November 2022)[5]	**Target**	**605**	**138**	**119**	**861**	**605**	**807**	**1,412**	**2,273**
	Share (%)	27%	6%	5%	38%	27%	35%	62%	100%
	Minimum	605	138	119	861	0	0	0	861
	Maximum	605	138	119	**861**	908	2,017	2,924	3,785
Vinod Philip	**Target**	**660**	**150**	**42**	**852**	**660**	**880**	**1,540**	**2,392**
	Share (%)	28%	6%	2%	36%	28%	37%	64%	100%
	Minimum	660	150	42	852	0	0	0	852
	Maximum	660	150	42	852	990	2,200	3,190	4,042

1 The respective target amounts for fringe benefits equal the value of benefits received in fiscal year 2023.

2 Disclosed values for Dr.-Ing. Christian Bruch represent his target compensation for the entire fiscal year 2023. An adjusted target compensation took effect for him from December 1, 2022. This amounts to €1,515,000 for base salary, €1,515,000 for his Bonus and €2,170,000 for Siemens Energy Stock Awards.

3 Beginning with fiscal year 2023, Tim Holt's target compensation is agreed upon in US Dollars. Base salary = $890,000; Pension Substitute for fiscal year 2023 = $295,000; Bonus = $850,000; Siemens Energy Stock Awards = $1,130,000. Conversion into Euros is conducted for the base salary and fringe benefits using the respective monthly average Euro-US Dollar exchange rate. The Bonus and Pension Substitute are converted using the average exchange rate during fiscal year 2023 (€1 = $1.0676). Conversion of the target value for Siemens Energy Stock Awards is conducted on the basis of the Euro-US Dollar exchange rate on the grant date for the tranche (for tranche 2023, 1 € = 1,0412 $). Any contributions to retirement plans that Tim Holt receives as part of his employment with Siemens Energy Inc. are offset against the pension substitute. The value of contributions owed to these retirement plans for fiscal year 2023 amounted to $181,079 (€169,614 at the average exchange rate during fiscal year 2023 (€1 = $1.0676).

4 With exception of base salary paid by Siemens Energy LLC (UAE), Karim Amin's compensation is paid out in Euros. Base salary paid by Siemens Energy LLC (UAE) is paid in UAE dirham in accordance with local regulations. A correction is performed at the end of the fiscal year to ensure that the compensation paid out in UAE dirhams corresponds to the target compensation in Euros. The average monthly Euro-Dirham exchange rate is applied for conversions.

5 Pro-rata target compensation for fiscal year 2023 (11/12 months). At the beginning of her appointment as a member of the Executive Board, Anne-Laure de Chammard received a payment of €1,872,064 to compensate for forfeited remuneration from her previous employer. Anne-Laure de Chammard contractually agreed to immediately invest the entire net proceeds from this compensatory payment in Siemens Energy shares. On December 12, 2022, Anne-Laure de Chammard conducted this investment by purchasing 58,850 Siemens Energy shares at an average price of €16.75.

Limits on individual compensation elements

At the beginning of the fiscal year the Supervisory Board sets a maximum value in Euro for each compensation element. Base salary and pension substitute are defined as a fixed amount and can therefore not amount to a higher value. Short-term and long-term variable compensation are capped at 150% and 250% of the target value in Euro, respectively.

For fringe benefits, the Supervisory Board sets a maximum monetary value – based on a percentage of base salary – at the beginning of the fiscal year for each member of the Executive Board. The Supervisory Board set maximum value of 8% of base salary for fiscal year 2023. According to the compensation system, this limit can be increased, in particular in the event of an Executive Board member having their place of employment outside of Germany.

For Tim Holt and Karim Amin, whose places of employment are in the United States and the United Arab Emirates, respectively, the Supervisory Board increased the maximum value by $450,000 and €450,000, respectively, to account for additional benefits like tax equalization payments and expenses for tax advisory services, including any tax gross-ups covered by the Company. The maximum value for Anne-Laure de Chammard was increased by €450,000 to account for benefits granted in connection with the maintenance of a second residence. Further, the Supervisory Board approved an increase of the maximum value of benefits for Maria Ferraro by €50,000 to account for benefits granted to her on an individual basis prior to the Spin-Off of Siemens Energy. These are typical benefits for an Executive Board member working internationally, for example, reimbursement of tax advisory expenses.

Compliance with maximum compensation as defined by Section 87a German Stock Corporation Act

The Supervisory Board sets a binding annual maximum compensation amount for each member of the Executive Board, in line with Section 87a para. 1 s. 2 No. 1 of the German Stock Corporation Act. The final value of compensation for a particular fiscal year can only be determined after vesting occurs for the Stock Awards tranche granted for that fiscal year. Consequently, this will be possible for the tranche of Stock Awards granted in fiscal year 2023 in November 2026. For Anne-Laure de Chammard, the Supervisory Board made use of the provision described in Section E of the compensation system to increase the maximum compensation for the first year of appointment to the Executive Board in order to account for the grant of a compensatory payment for forfeited compensation from her previous employer. Maximum compensation for Anne-Laure de Chammard for fiscal year 2023 thus amounts to €6.2 million.

The following table shows that the maximum possible value of compensation for fiscal year 2023 for each member of the Executive Board – which would result in the event of a payout from the Stock Awards tranche 2023 at 250% of the target value ("payout cap") – amounts to less than the respective applicable maximum compensation. Compliance with maximum compensation according to Section 87a of the German Stock Corporation Act for fiscal year 2023 is thus assured.

Compliance with maximum compensation as defined under Section 87a of the German Stock Corporations Act for fiscal year 2023 (in k €)
Executive Board members in office as of September 30, 2023

	Compensation awarded or due FY 2023 excluding Stock Awards Tranche 2023		Maximum value of the Stock Awards-Tranche 2023[1]		Maximum value of compensation for FY 2023		Maximum compensation as defined by Section 87a para. 1 s. 2 No. 1 German Stock Corporations Act
Dr.-Ing. Christian Bruch	3,333	+	5,321	=	8,654	<	9,950
Maria Ferraro	1,812		2,950		4,762	<	4,950
Tim Holt	1,971		2,713		4,684	<	4,950
Karim Amin	1,583		2,200		3,783	<	4,950
Anne-Laure de Chammard (since November 2022)[2]	3,405		2,017		5,422	<	6,200
Vinod Philip	1,429		2,200		3,629	<	4,950

1 The maximum value represents the value of the Stock Awards Tranche 2023 in Euros in the event that the value of the Stock Awards equals 250% of the target amount ("cap"). The vesting period for the Stock Awards Tranche 2023 ends in November 2026; if target attainment is greater than 0%, Siemens Energy shares will be transferred to the respective member of the Executive Board. A final review of compliance with the maximum compensation will occur at this time.

2 Compensation awarded or due for Anne-Laure de Chammard includes a compensatory payment of €1,872,064 to compensate for the forfeiture of remuneration owed by her previous employer.

Variable compensation elements in fiscal year 2023

Short-term variable compensation (Bonus)

A substantial portion of Executive Board members' compensation is tied to the Siemens Energy Group's annual performance (Bonus). The final payout amount depends on the attainment of financial and non-financial targets. However, the overall payout amount is limited to 150% of the target amount (cap). Targets are divided into three equally-weighted components: two financial performance criteria – for fiscal year 2023 Profit margin before Special Items and Free cash flow (FCF) pre-tax – as well as individual targets, which can be either financial or non-financial in nature. Profit margin before Special Items and FCF pre-tax reflect the short-term financial performance of the Siemens Energy Group.

For fiscal year 2023, members of the Executive Board with direct responsibility for a Business Area received corresponding Business Area targets for the financial performance criteria. The Bonus for Karim Amin (Gas Services), Tim Holt (Grid Technologies), Anne-Laure de Chammard (Transformation of Industry) thus depends on Siemens Energy Group Profit margin before Special Items (16.67% weighting), Business Area Profit margin before Special Items (16.67% weighting), Siemens Energy Group FCF pre-tax (16.67% weighting) and Business Area FCF pre-tax (16.67% weighting). No targets were set at the Siemens Gamesa segment level due to the CEO of Siemens Gamesa, Dr.-Ing. Jochen Eickholt, not being a member of the Executive Board of Siemens Energy AG. Dr.-Ing. Jochen Eickholt's Bonus for fiscal year 2023 was structured according to existing compensation practices at Siemens Gamesa and included targets exclusively focused on Siemens Gamesa's performance. The financial performance criteria applicable for the Bonus for Dr.-Ing. Christian Bruch, Maria Ferraro and Vinod Philip are measured only at the Siemens Energy Group level.

The Supervisory Board approved the following target setting and target attainment levels for fiscal year 2023:

Bonus for fiscal year 2023 – Performance criteria	**33.34%**		**33.33%**		**33.33%**
President and CEO (Bruch) Chief Financial Officer (Ferraro) EVP Global Functions (Philip)	Profit margin before Special Items (Siemens Energy)		Free cash flow (pre-tax) (Siemens Energy)		Individual targets
	16.67%	**16.67%**	**16.67%**	**16.67%**	**33.33%**
EVP Gas Services (Amin) EVP Grid Technologies (Holt) EVP Transformation of Industry (de Chammard)	Profit margin before Special Items (Siemens Energy)	Profit margin before Special Items (Business Area)	Free cash flow (pre-tax) (Siemens Energy)	Free cash flow (pre-tax) (Business Area)	Individual targets

Bonus for fiscal year 2023 – Target attainment and amounts paid out

		Performance corridor			Determination of target attainment	
Performance criteria		0% target	100% target	150% target	Actual	Target attainment
1/3	Profit margin before Special Items[1]					
	Siemens Energy Group	0.00%	3.07%	4.61%	(8.92)%	0.00%
	Gas Services (Amin)	6.80%	9.80%	11.30%	9.47%	89.00%
	Grid Technologies (Holt)	3.60%	7.60%	9.60%	7.54%	98.50%
	Transformation of Industry (de Chammard)	0.90%	3.90%	5.40%	5.14%	141.33%
1/3	Free cash flow (pre-tax)[2] in m €					
	Siemens Energy Group	(977)	(227)	148	784	150.00%
	Gas Services (Amin)	0.00	600	900	943	150.00%
	Grid Technologies (Holt)	0.00	381	572	1,225	150.00%
	Transformation of Industry (de Chammard)	(215)	35	160	191	150.00%
1/3	Individual targets	Qualitative target setting (see the following table)			–	40–140%

	Payout range			Results for fiscal year 2023	
Executive Board members in office as of September 30, 2023	**0% target amount (k €)**	**100% target amount (k €)**	**150%-target amount (k €)**	**Overall target attainment**	**Amount paid out (k €)**
Dr.-Ing. Christian Bruch	0	1,503	2,254	84.16%	1,265
Maria Ferraro	0	810	1,215	89.99%	729
Tim Holt[3]	0	796	1,194	102.24%	814
Karim Amin	0	660	990	103.16%	681
Anne-Laure de Chammard (since Nov. 2022)	0	605	908	111.05%	672
Vinod Philip	0	660	990	87.49%	577

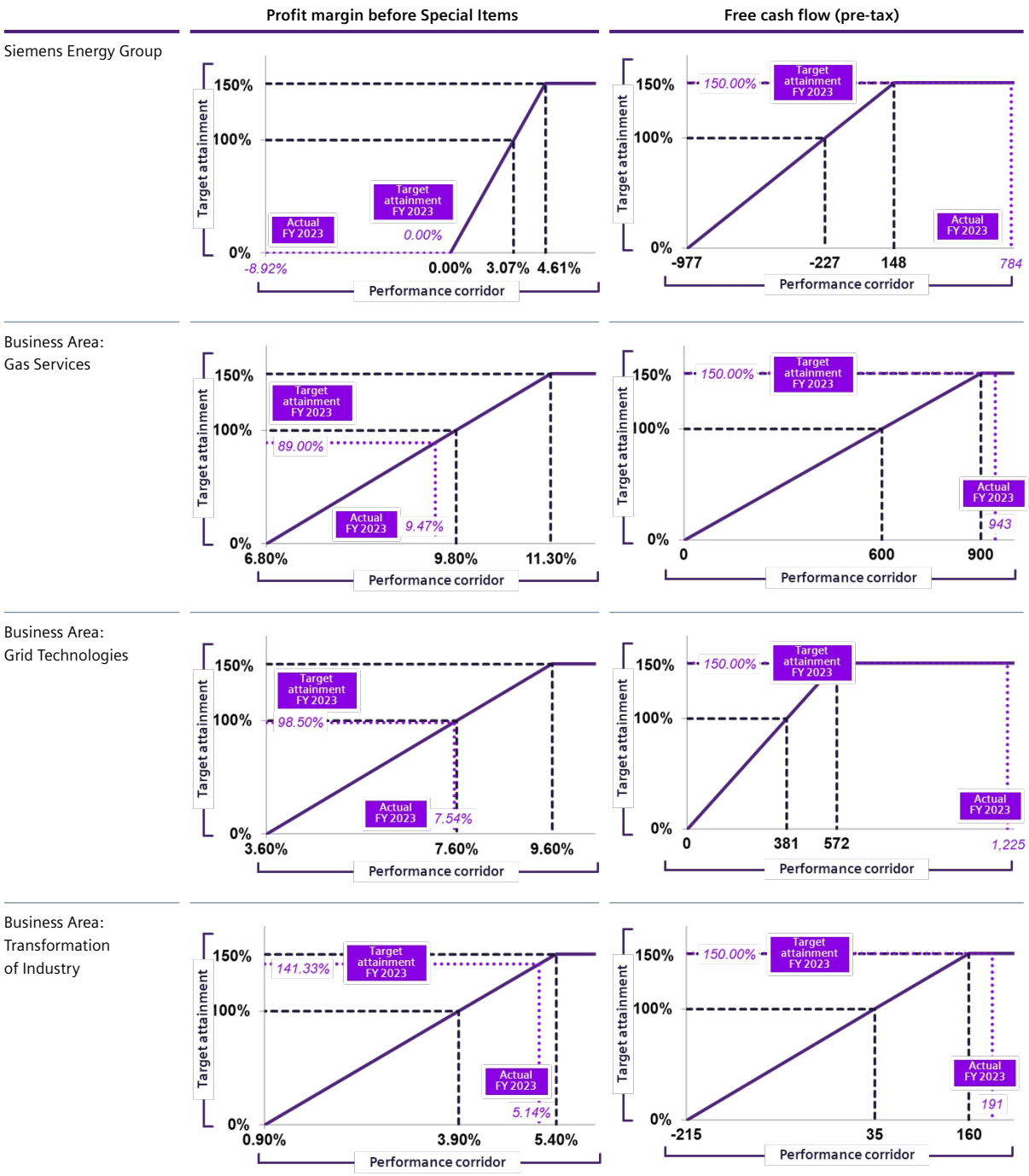
1 To calculate the Profit margin before Special items, Profit before Special items is divided by total revenue. Profit is defined as income (loss) before income taxes, interest income and expenses, and other financial income (expenses), net, adjusted for amortization of intangible assets acquired in business combinations and goodwill impairments. To increase comparability year-on-year, we use Profit before Special items. Special items refer to the following topics: 1) Restructuring and integration costs: Restructuring costs refer to personnel measures leading to severance charges, including costs for terminating service contracts with Siemens Group (Siemens AG and its subsidiaries). Due to the further integration of Siemens Gamesa and the objective of a consistent presentation within the Group, only personnel-related measures for restructuring will be included for Siemens Gamesa from fiscal year 2023, in contrast to the past. Integration costs that occur at Siemen Gamesa are related to the integration of companies as well as in the course of the integration of Siemens Gamesa into the Group and the corresponding transaction costs. 2) Stand-alone costs relate to the separation from Siemens Group and the formation of Siemens Energy as an independent enterprise. 3) Major asset impairments and write-downs (as well as any subsequent reversals) related to strategic portfolio decisions.

2 Free cash flow (FCF) pre tax of the Group is defined as cash flows from operating activities before income taxes paid, less additions to intangible asset and property, plant and equipment. Free cash flow of the segments (Business Areas) constitutes cash flows from operating less additions to intangible assets and property, plant and equipment.

3 The amount paid out for Tim Holt was determined in US Dollars ($869,040) and converted into Euros for purposes of disclosure (conversion according to the average Euro-US Dollar exchange rate during fiscal year 2023: €1 = $1.0676).

The performance corridors for the financial performance criteria are structured as linear increases between target values that correspond to a target attainment of 0%, 100% and 150%:

Bonus for fiscal year 2023 – Target corridors



The Supervisory Board uses individual, non-financial targets to set incentives for progress on strategically relevant topics. For fiscal year 2023, the Supervisory Board placed a focus on two important aspects of sustainable management: health & safety and customer satisfaction. Additionally, the members of the Executive Board received two targets reflecting the current priorities of their respective portfolios. Non-financial individual targets, which are weighted within the individual targets at 25% each (that is, within the Bonus as a whole a weighting of 8.33% each), were determined at the beginning of the fiscal year. The Supervisory Board evaluated the attainment of these targets in a multi-step process. First, each member of the Executive Board submitted a detailed self-evaluation. In the next step, the Chairman of the Presiding Committee conducted a preliminary evaluation based on these self-evaluations and an assessment of the Executive Board's work prepared by the President and CEO.

With this as a foundation, the Presiding Committee of the Supervisory Board discussed the Executive Board's performance against the targets that had been set and proposed recommendations to the Supervisory Board.

Bonus for fiscal year 2023 – Individual targets	Target	Evaluation – Sustainability targets		Target attainment
		Customer service (1)	**Health & safety (2)**	
Dr.-Ing. Christian Bruch	Improvement within the responsibilities and scope of influence of the respective EBM (customer satisfaction) and living and driving the six "Zero Harm" behaviors (health and safety)	Improvement in customer satisfaction at the Siemens Energy Group level in FY 2023	Increase in TRIR[1] at the Siemens Energy Group level in FY 2023; TRIR target for FY 2023 not achieved	(1) 130% (2) 80%
Maria Ferraro		Improvement in customer satisfaction at the Siemens Energy Group level in FY 2023	Increase in TRIR[1] at the Siemens Energy Group level in FY 2023; TRIR target for FY 2023 not achieved	(1) 130% (2) 80%
Tim Holt		Improvement in customer satisfaction at Grid Technologies and Hubs North America and Latin America in FY 2023	Increase in TRIR[1] at Grid Technologies in FY 2023; TRIR target for FY 2023 not achieved	(1) 130% (2) 40%
Karim Amin		Improvement in customer satisfaction at Gas Services and Hubs Europe, Middle East and Africa in FY 2023	Increase in TRIR[1] at Gas Services in FY 2023; TRIR target for FY 2023 not achieved	(1) 140% (2) 60%
Anne-Laure de Chammard		Improvement in customer satisfaction at Transformation of Industry and Hubs Asia Pacific and China in FY 2023	TRIR[1] at Transformation of Industry below Group level in FY 2023 (also excluding Sie-mens Gamesa); reduction in reportable events	(1) 130% (2) 100%
Vinod Philip		Improvement in customer satisfac-tion at the Siemens Energy Group level and in the project execution unit in FY 2023	Reduction in TRIR[1] in the project execution unit; TRIR target for Global Functions for FY 2023 overachieved	(1) 120% (2) 80%

	Further individual targets	Target setting	Evaluation	Target attainment
Dr.-Ing. Christian Bruch	Implementation of strategic priorities	Siemens Gamesa: Successful integration of structures; review and potential reformulation of strategy; reform of governance structures; effective oversight and implementation of Mistral cost savings program	Siemens Gamesa transaction completed, including squeeze out of minority share-holders; strategy reviewed, but reformulation still required; board structure simplified with high frequency of meetings	60%
	Personnel development	Establish strategic workforce planning; reset succession planning in the new organizational structure (VOLT); strengthen senior leadership pool/Executive Board succession planning	Strategic workforce concepts successfully developed; new leadership development landscape prepared; succession planning strengthened	140%
Maria Ferraro	Organizational development	Implementation of VOLT; D1R[1] for new segmentation from Q1 2023; increased efficiency in reporting	D1R[1] achieved and VOLT successfully implemented for CFO functions; multiple efficiency measures in progress	140%
	Implementation of important projects	Siemens Gamesa: Successful completion of transaction, including integration activities and financing needs	Successful delisting closely accompanied; successful leadership of all necessary financing measures	130%

Tim Holt	Operational excellence	Implementation of excellence program at GT; acceleration of US growth; reduction of NCC[1]; implementation of capacity increase program	Improved margin & transparency in factories; sale of Trench signed; measures to reduce NCC introduced; capacity ramp up on track	130%
	Implementation of important projects	Implementation of VOLT: Go-to-market, project execution, procurement; create draft of international labor framework agreement	Sales margin increased for order intake; resource ramp up for projects; draft framework agreement negotiated	130%
Karim Amin	Operational excellence	Service resilience and excellence, including via cross-qualification of service personnel; reduction of NCC[1]	Strong financial performance; successful cross-business service; NCC[1] near previous year's level	130%
	Implementation of important projects	Implementation of VOLT: Go-to-market, project execution, procurement	Overachieved goal for cross-business opportunities in regional hubs; efficient collaboration with project execution unit; strong procurement CNI[1]	130%
Anne-Laure de Chammard	Operational excellence	Continuous improvement of NCC[1] and increase in profitability in all four IMBs[1], in particular turnaround at CP[1] and STG[1]	Profitability increased across the IMBs[1]; NCC[1] near previous year's level	120%
	Implementation of important projects	Define overarching strategy for Transformation of Industry; analysis of decision options for portfolio transformation	Overarching strategy established; portfolio analysis concluded	100%
Vinod Philip	Organizational development	Set up and successfully kick off new innovation organization; implementation of innovation strategy with set targets	Soft Launch of Innovation Center Berlin in late 2022; Abu Dhabi planned shortly; successful buildup of resources; KPIs introduced	130%
	Implementation of important projects	Implementation VOLT: Overall steering, operationalize project execution unit, establish KPIs	Steering office set up and running; majority of KPIs positive; high CNI[1] from Global Functions	120%

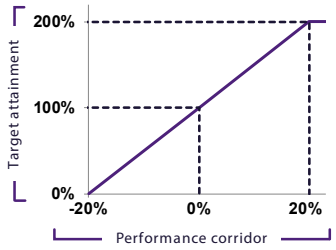
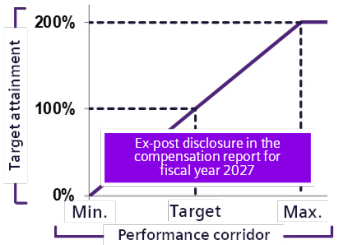
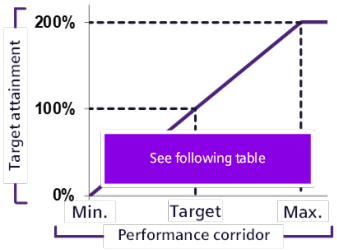
1 CNI: Contribution to Net Income; CP: Compression (one of four IMBs under TI); D1R: Day one readiness; IMB: Independently Managed Business; NCC: Non-compliance costs; STG: Industrial Steam Turbines & Generators (one of four IMBs under TI); TI: Transformation of Industry (Business Area); TRIR: Total Recorded Injury Rate

Long-term variable compensation (Siemens Energy Stock Awards)

At the beginning of fiscal year 2023, the members of the Executive Board were granted long-term variable compensation in the form of Siemens Energy Stock Awards (Stock Awards Tranche 2023). Each Stock Award confers the right to receive one Siemens Energy share. Stock Awards vest after a period of approximately four years, contingent upon attaining pre-defined performance targets. The vesting period for the Tranche 2023 begins in November 2022 and ends in November 2026. The number of Stock Awards to be granted is calculated by multiplying the maximum level of target attainment – 200% – by the target amount and then dividing this number by the price of Siemens Energy shares in Xetra trading on the grant date, less estimated discounted dividends during the approximately four-year vesting period ("grant price").

At the end of the vesting period, members of the Executive Board are entitled to receive one Siemens Energy share at no cost for each Stock Award. The final number of Stock Awards is determined by the degree to which the established targets are achieved during the performance period. If the monetary value of the final number of Stock Awards exceeds 250% of the target amount (cap), a corresponding number of Stock Awards for the amount exceeding the cap will be forfeited without replacement. The following strategically relevant performance criteria are employed in the long-term variable compensation:

Stock Awards – Performance criteria Tranche 2023

Performance criterion	Total Shareholder Return (“TSR”)	Earnings per Share (“EPS”), undiluted	Environmental, Social & Governance (“ESG”)
Weighting	40%	40%	20%
Target setting	For Siemens Energy and the comparison indices, change in share price plus dividends during the reference period (12 months) is compared to the corresponding value for the performance period (36 months). The difference in percentage points for Siemens Energy and respective index determines target attainment.	The Supervisory Board defines a 100% target value for the average EPS from continuing operations over the four fiscal years of the vesting period, as well as EPS values representing 0% and 200% target attainment.	Three equally weighted performance criteria for the ESG component are set at the beginning of the Tranche. The Supervisory Board also sets quantitative target values that correspond to a target attainment of 0%, 100% and 200%.
Performance corridor			

ESG targets, which each have a weighting of 1/3 within the performance criterion ESG (that is, a weighting within the Stock Awards overall of 6.67% each), were set as follows by the Supervisory Board for the 2023 Stock Awards tranche:

Stock Awards Tranche 2023 – ESG performance criteria

Targets		Target setting
1/3	Environmental (“E”)	CO_2 emissions: Direct greenhouse gas emissions that arise from sources in the Company’s ownership or under its control (Scope 1) and consumption of purchased electricity and district heating (Scope 2).
1/3	Social (“S”)	Employee engagement based on the Employee Net Promoter Score (eNPS), which is determined based on a global survey of Siemens Energy’s employees.
1/3	Governance (“G”)	Target for share of women in leadership positions (defined according to functional value) based on the Company’s long-term communicated target of 25% by 2025 and 30% by 2030.

Siemens Energy Stock Awards – Target setting ESG-performance criteria (all current tranches):

			Target values (Assessment conducted at the end of the last fiscal year of the vesting period)								
			FY 2024			FY 2025			FY 2026		
	Performance criteria	Baseline value	0%	100%	200%	0%	100%	200%	0%	100%	200%
Environmental ("E")											
Tranche 2021	CO_2 Scope 1+2 (kt)[1]	304	252	236	220	–	–	–	–	–	–
Tranche 2022	CO_2 Scope 1+2 (kt)[1]	244	–	–	–	220	195	170	–	–	–
Tranche 2023	CO_2 Scope 1+2 (kt)[1]	181	–	–	–	–	–	–	190	160	130
Social ("S")											
Tranche 2021	eNPS (points)	(1.9)	0	10	20	–	–	–	–	–	–
Tranche 2022	eNPS (points)	(10.4)	–	–	–	0	5	10	–	–	–
Tranche 2023	Engagement Factor (%)	72%	–	–	–	–	–	–	68%	73%	78%
Governance ("G")											
Tranche 2021	Share of women in management (PC 64-72)[2]	22.4%	22%	25%	28%	–	–	–	–	–	–
Tranche 2022	Share of women in management (PC 63-72)[2]	20.5%	–	–	–	22%	25%	28%	–	–	–
Tranche 2023	Share of women in management (PC 63-72)[2]	21.5%	–	–	–	–	–	–	23%	26%	29%

1 Target setting for Siemens Energy excluding Siemens Gamesa. These baseline values served as the basis for target setting by the Supervisory Board and may slightly deviate from the figures reported in the Sustainability Report due to delays in internal reporting. In the compensation report for fiscal year 2022, the values under "Baseline value" represented the respective CO_2 emissions including Siemens Gamesa (Tranche 2021: 292 kt; Tranche 2022: 273 kt).

2 The relevant population for measuring the share of women in management includes functions defined based on functional value, which is represented by a function's position classes (PC). The population PC 64-72 comprises approximately 125 of the highest-rated functions in the former Gas & Power (GP) segment, The population PC 63-72 comprises approximately 180 of the highest-rated functions in the Siemens Energy Group, excluding Siemens Gamesa. For Tranche 2022, the population was changed in order to bring the basis for measurement in line with external and internal reporting.

Disclosures on equity-based compensation in fiscal year 2023

The following table shows the Stock Awards "granted", that is, Stock Awards that were contractually granted to members of the Executive Board but are not yet due because of performance and vesting conditions, as well as Siemens Energy shares "awarded", that is, shares transferred to a member of the Executive Board. Because Siemens Energy Stock Awards were granted for the first time in November 2020, the first transfer of Siemens Energy shares will take place in November 2024, conditional upon the performance criteria described above being met. The fair market value at grant is determined according to "IFRS 2 – share-based compensation." The grant price for all grants amounted to €15.61.

Equity-based compensation granted and awarded FY 2023

Members of the Executive Board in office as of September 30, 2023	Stock Awards-Tranche	Grant date	Number of Stock Awards granted[1]	Fair Market Value at grant (€)[2]	Vesting date[3]	Number of shares awarded in FY 2023	Value of shares awarded in FY 2023 (€)	Number of Stock Awards as of Sept. 30, 2023
Dr.-Ing. Christian Bruch	2023	Nov. 16, 2022	320,943	2,400,029	Nov. 2026	0	0	320,943
	2022	Nov. 10, 2021	157,120	1,714,965	Nov. 2025	0	0	157,120
	2021	Nov. 10, 2020	194,530	2,554,373	Nov. 2024	0	0	194,530
Maria Ferraro	2023	Nov. 16, 2022	177,938	1,330,629	Nov. 2026	0	0	177,938
	2022	Nov. 10, 2021	78,560	857,482	Nov. 2025	0	0	78,560
	2021	Nov. 10, 2020	97,265	1,277,199	Nov. 2024	0	0	97,265
Tim Holt	2023	Nov. 16, 2022	163,657	1,223,843	Nov. 2026	0	0	163,657
	2022	Nov. 10, 2021	78,560	857,504	Nov. 2025	0	0	78,560
	2021	Nov. 10, 2020	97,265	1,277,199	Nov. 2024	0	0	97,265
Karim Amin	2023	Nov. 16, 2022	132,700	992,364	Nov. 2026	0	0	132,700
	2022	March 1, 2022	51,905	244,738	Nov. 2025	0	0	51,905
Anne-Laure de Chammard	2023	Nov. 16, 2022	121,642	909,647	Nov. 2026	0	0	121,642
Vinod Philip	2023	Nov. 16, 2022	132,700	992,331	Nov. 2026	0	0	132,700

1 At the beginning of the vesting period of approximately four years, the maximum possible number of Stock Awards are conditionally granted. If target attainment is less than 200%, the number of Stock Awards is adjusted downward accordingly.

2 To determine the fair market value, target attainment of 200% is assumed for the Total Shareholder Return (TSR) component and 100% target attainment for the Earnings per Share (EPS) and Environmental, Social & Governance (ESG) components. The fair market value at grant is calculated based on the date on which the terms and conditions of the grant were agreed upon. For the Tranche 2023, the relevant date for all members was December 13, 2022. For the Tranche 2022, the relevant date was December 10, 2021 for Dr.-Ing. Christian Bruch, Maria Ferraro and Tim Holt, and for September 20, 2022 for Karim Amin. For Tranche 2021, December 14, 2020 was the relevant date for all members of the Executive Board.

3 The vesting period of the Stock Awards Tranche 2023 [2022] (2021) ends on the day in November 2026 [2025] (2024) on which the financial results for fiscal year 2026 [2025] (2024) are published.

Malus and clawback rules for variable compensation

In certain cases, the Supervisory Board has the option of withholding (malus) or reclaiming (clawback) the short-term and long-term variable compensation, for example in the event of severe breaches of duty, compliance violations, and (or) severely unethical behavior, or in the event that variable compensation was paid out based on incorrect data.

In its meeting in November 2023, the Supervisory Board determined that it had no indication of circumstances that could lead to the application of malus or clawback rules. Consequently, the Supervisory Board did not make use of its authority to withhold or reclaim short-term variable compensation in fiscal year 2023.

Executive Board compensation levels in fiscal year 2023

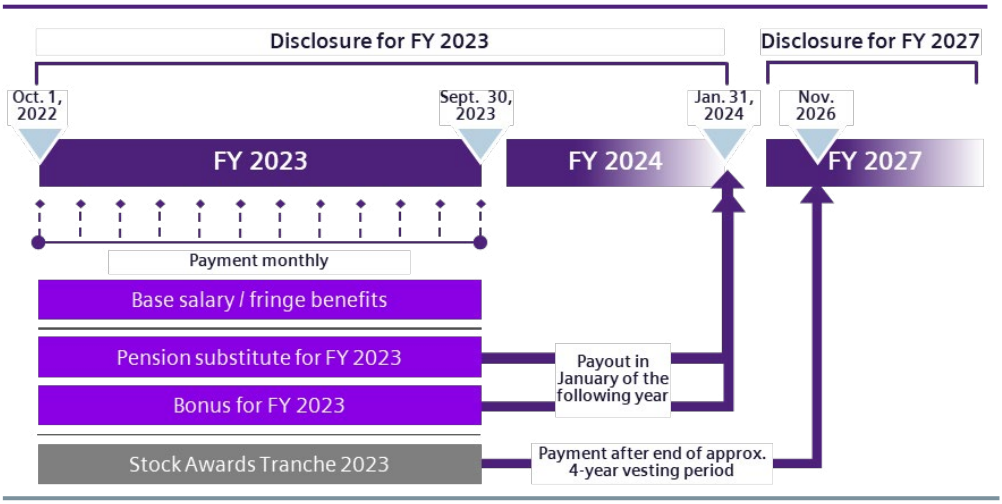
Compensation awarded or due

The following table offers individual disclosure of compensation "awarded" or "due" to the members of the Executive Board according to the definition in Section 162 para. 2 s. 1 of the German Stock Corporation Act. These definitions have been added to the Stock Corporation Act with the entry into force of the Second Shareholder Rights Directive (SRD II) and supplant the definitions for compensation laid out in the German Corporate Governance Code. The Code no longer recommends use of the "sample tables" that were previously employed since 2014.

Compensation awarded covers compensation that was paid out to the member of the Executive Board during a fiscal year, that is, became the Executive Board member's personal assets. Compensation due refers to compensation that is owed but has not yet been paid out. For Siemens Energy's Executive Board compensation system, this means that short-term variable compensation that will be paid out in January 2024 is classified as "due" and disclosed as compensation for fiscal year 2023.

On the other hand, long-term variable compensation can only be potentially paid out after the end of a Stock Awards tranche's vesting period with the transfer of Siemens Energy shares to the member of the Executive Board. Disclosure as compensation awarded or due occurs therefore at the time at which this transfer takes place. Payout from the Stock Awards tranche 2023, which was granted in November 2022 and will be transferred in November 2026 after determination of the level of target attainment, will consequently be disclosed for fiscal year 2027. For clarity: compensation awarded or due in fiscal year 2023 is disclosed in summary as follows:

Disclosure of compensation elements for fiscal year 2023



Compensation awarded or due

Members of the Executive Board in office as of September 30, 2023

		Dr.-Ing. Christian Bruch, President and CEO (Appointed May 2020)				Maria Ferraro, Chief Financial Officer (CFO) (Appointed May 2020)			
Fiscal year		2022		2023		2022		2023	
		k €	Share (in %)	k €	Share (in %)	k €	Share (in %)	k €	Share (in %)
Fixed compensation	Base salary	1,440	40.9	1,515	45.4	720	41.9	810	44.7
	Fringe benefits[1]	95	2.7	54	1.6	36	2.1	23	1.3
	Pension substitute[2]	500	14.2	500	15.0	250	14.5	250	13.8
	Sum	**2,035**	**57.7**	**2,069**	**62.1**	**1,006**	**58.5**	**1,083**	**59.8**
Variable compensation	**Short-term variable compensation**								
	Bonus	1,489	42.3	1,265	37.9	715	41.5	729	40.2
	Long-term variable compensation								
	(first transfer Nov. 2024)	–	–	–	–	–	–	–	–
	Sum	**1,489**	**42.3**	**1,265**	**37.9**	**715**	**41.5**	**729**	**40.2**
Other compensation		–	–	–	–	–	–	–	–
Total compensation		**3,524**	**100**	**3,333**	**100**	**1,720**	**100**	**1,812**	**100**

1 For Dr.-Ing. Christian Bruch, the disclosed values for fiscal year 2022 include the value of security installations in regularly used homes and rental properties for the members of the Executive Board, including any tax gross-ups covered by the Company. These were carried out by Siemens Energy in accordance with the Company's current executive security policy. The monetary value of these installations, including tax gross-ups covered by the Company, are excluded from the maximum value of fringe benefits defined at the beginning of the fiscal year. For fiscal year 2022, these amounted to €53,697 for Dr.-Ing. Christian Bruch.

2 The Supervisory Board decided to grant Dr.-Ing. Christian Bruch and Maria Ferraro a pension substitute in cash for fiscal year 2022 as well as fiscal year 2023. This is typically paid out in January of the following year.

Compensation awarded or due

Members of the Executive Board in office as of September 30, 2023 *(continued)*

		Tim Holt **Member of the Executive Board** (Appointed April 2020)[1]				**Karim Amin** **Member of the Executive Board** (Appointed March 2022)			
Fiscal year		2022		2023		2022		2023	
		k €	Share (in %)	k €	Share (in %)	k €	Share (in %)	k €	Share (in %)
Fixed compensation	Base salary	784	41.2	833	42.3	386	43.3	693	43.8
	Fringe benefits[2]	57	3.0	48	2.4	34	3.8	60	3.8
	Pension substitute[3]	271	14.3	276	14.0	88	9.8	150	9.5
	Sum	**1,112**	**58.5**	**1,157**	**58.7**	**507**	**56.8**	**903**	**57.0**
Variable compensation	**Short-term variable compensation**								
	Bonus	789	41.5	814	41.3	385	43.2	681	43.0
	Long-term variable compensation								
	(first transfer Nov. 2024)	–	–	–	–	–	–	–	–
	Sum	**789**	**41.5**	**814**	**41.3**	**385**	**43.2**	**681**	**43.0**
Other compensation		–	–	–	–	–	–	–	–
Total compensation		**1,901**	**100**	**1,971**	**100**	**892**	**100**	**1,583**	**100**

1 Starting with fiscal year 2023, Tim Holt's target compensation is contractually agreed in US Dollars. Conversion into Euros for disclosure purposes is done for base salary ($890,000) and fringe benefits ($51,118) using the respective monthly average Euro-US Dollar exchange rate. The Bonus ($869,040) is converted according to the average exchange rate during the fiscal year (€1 = $1.0676). For fiscal year 2022, Tim Holt's target compensation was defined in Euros and converted into US Dollars using the average Euro-US Dollar exchange rate in August 2021 (€1 = $1.1772). Compensation awarded or due to Tim Holt for fiscal year 2022 was converted into Euros using the respective monthly average Euro-US Dollar exchange rate (base salary, fringe benefits) or according to the average exchange rate during the fiscal year (€1 = $1.0841) (Bonus).

2 For Tim Holt, the disclosed values for fiscal year 2022 include the value of security installations in regularly used homes and rental properties, including any tax gross-ups covered by the Company. These were carried out by Siemens Energy in accordance with the Company's current executive security policy. The monetary value of these installations, including tax gross-ups covered by the Company, are excluded from the maximum value of fringe benefits defined at the beginning of the fiscal year. For fiscal year 2022 these amounted to €4,072.

3 The Supervisory Board decided for fiscal year 2022 and for fiscal year 2023 to grant Tim Holt and Karim Amin a pension substitute in cash. This is typically paid out in January of the following year. Tim Holt accrued the right to receive contributions to retirement plans in connection with his Group employment as Chairman of Siemens Energy Inc. (USA) amounting to $181,079 (€169,614) for fiscal year 2023 (€1 = $1.0676) and $159,049 (€146,710) for fiscal year 2022 (€1 = $1.0841). For fiscal year 2023, contributions to US retirement plans were subtracted from the pension substitute granted ($295,000), such that the difference of €113,921 (€106,707) was paid out. For fiscal year 2022, contributions were converted into Euros according to the average exchange rate for August before the beginning of fiscal year 2022 (€1 = $1.772), subtracted from the pension substitute granted, and finally converted back into US Dollars; the difference of $135,251 (€124,759; €1 = $1.0841) was paid out.

Compensation awarded or due

Members of the Executive Board in office as of September 30, 2023 *(continued)*

		Anne-Laure de Chammard **Member of the Executive Board** (Appointed November 2022)[1]				Vinod Philip **Member of the Executive Board** (Appointed October 2022)			
Fiscal year		2022		2023		2022		2023	
		k €	Share (in %)	k €	Share (in %)	k €	Share (in %)	k €	Share (in %)
Fixed compensation	Base salary	–	–	605	17.8	–	–	660	46.2
	Fringe benefits[1]	–	–	119	3.5	–	–	42	2.9
	Pension substitute[2]	–	–	138	4.0	–	–	150	10.5
	Sum	**–**	**–**	**861**	**25.3**	**–**	**–**	**852**	**59.6**
Variable compensation	**Short-term variable compensation**								
	Bonus	–	–	672	19.7	–	–	577	40.4
	Long-term variable compensation								
	(first transfer Nov. 2024)	–	–	–	–	–	–	–	–
	Sum	–	–	672	19.7	–	–	577	40.4
Other compensation[3]		–	–	1,872	55.0	–	–	–	–
Total compensation		**–**	**–**	**3,405**	**100**	**–**	**–**	**1,429**	**100**

1 For Anne-Laure de Chammard, fringe benefits include reimbursement of moving expenses, expenses in connection with maintaining a second residence at her place of employment and the reimbursement of trips home.

2 The Supervisory Board decided to grant Anne-Laure de Chammard and Vinod Philip a pension substitute in cash for fiscal year 2023. This is typically paid out in January of the following year.

3 To compensate for forfeited remuneration entitlements from her former employer, Anne-Laure de Chammard was granted a compensatory payment at the beginning of her appointment amounting to €1,872,064. Anne-Laure de Chammard contractually agreed to immediately invest the entire net proceeds from this compensatory payment in Siemens Energy shares. On December 12, 2022, Anne-Laure de Chammard conducted this investment by purchasing 58,850 Siemens Energy shares at an average price of €16.75.

Compensation awarded or due

Executive Board member who left in fiscal year 2022

		Dr.-Ing. Jochen Eickholt **Member of the Executive Board** (Member of the Executive Board until February 2022)			
Fiscal year		2022		2023	
		k €	Share (in %)	k €	Share (in %)
Fixed compensation	Base salary	300	14.2	–	–
	Fringe benefits	29	1.4	–	–
	Pension substitute[1]	104	4.9	–	–
	Sum	**433**	**20.5**	**–**	**–**
Variable compensation	**Short-term variable compensation**				
	Bonus	280	13.3	–	–
	Long-term variable compensation				
	(first transfer Nov. 2024)	–	–	–	–
	Sum	**280**	**13.3**	**–**	**–**
Other compensation[2]		1,399	66.2	–	–
Total compensation		**2,112**	**100**	**–**	**–**

1 The Supervisory Board decided to grant Dr.-Ing. Jochen Eickholt a pension substitute in cash for fiscal year 2022. This was paid out on a pro-rata basis concurrently with his departure from the Executive Board in February 2022.

2 With his departure from the Executive Board of Siemens Energy and in order to maintain his independence in the role as CEO of Siemens Gamesa Renewable Energy S.A., all unvested Siemens Energy Stock Awards for Dr.-Ing. Jochen Eickholt were settled in cash (tranches 2021 and 2022). A target attainment of 100% and the average price of the Siemens Energy share during January 2022 (€21.52) were used for the calculation of the cash settlement. The cash settlement amounted to €1,398,800.

Additional disclosures on Executive Board compensation in fiscal year 2023

Retirement benefits

For fiscal year 2023, the Supervisory Board elected to make use of its option to grant the members of the Executive Board an unrestricted cash payment ("pension substitute"). Alternatively, the compensation system provides the option for the members of the Executive Board to participate in the Company's pension plan ("BSAV"), under which the Company can grant contributions – defined as a fixed amount in Euro – to a member's pension account.

Maria Ferraro has a pension commitment under the BSAV that was transferred from Siemens AG to Siemens Energy in connection with the Company's Spin-Off. The Company has not made any contributions to Maria Ferraro's pension account since it was transferred. Her pension account is credited with an annual interest payment (guaranteed interest) on January 1st of each year. The guaranteed interest rate is currently 0.25%.

As of September 30, 2023, the defined benefit obligation for Maria Ferraro's pension obligation according to IFRS amounted to €0.1 million.

Share Ownership Guidelines

According to Siemens Energy's Share Ownership Guidelines, members of the Executive Board are required to hold Siemens Energy shares equal in value to a multiple of their base salary – 300% for the President and CEO and 200% for all other members. Base salary is defined as the respective member's annual base salary for the month of September preceding the respective measurement date. Members of the Executive Board are allowed a build-up phase of approximately 4.5 years in order to acquire the required number of shares. If the value of the acquired shares falls below the holding requirement due to fluctuations in Siemens Energy's share price, the members of the Executive Board must purchase additional shares.

The first review of compliance with the requirements under the Share Ownership Guidelines will take place in March 2025 for Dr.-Ing. Christian Bruch, Maria Ferraro and Tim Holt, in October 2026 for Karim Amin, and in March 2027 for Anne-Laure de Chammard and Vinod Philip, each following the completion of the approximately 4.5-year build-up phase.

Commitments in connection with early termination of the Executive Board mandate

If an Executive Board member leaves the Executive Board during the fiscal year, the Bonus is paid out on a pro-rata basis on the regular payout date. The number of Stock Awards granted at the beginning of the fiscal year in which the member of the Executive Board exits is reduced on a pro-rata basis. Depending on the circumstances of the departure from the Executive Board, unvested Stock Award grants can remain in place, be forfeited without replacement or be settled in cash.

A severance payment is typically made in the event of mutually agreed termination without cause. In line with the German Corporate Governance Code, this payment is limited to two years of annual compensation or the remaining value of the contract ("severance cap").

There are no special provisions for the event that a change of control event occurs, that is, neither special rights to terminate the contract nor severance payments. Further, Executive Board members' employment contracts do not include any post-contractual non-competition clause and therefore also do not foresee any compensation for this case.

Temporary deviations from the compensation system

In exceptional circumstances, the Supervisory Board may deviate from the elements defined in the compensation system if this is deemed necessary for the Company's long-term wellbeing. There were no deviations from the compensation system in fiscal year 2023.

Additional disclosures on variable compensation for fiscal years 2021, 2022 and 2023

Due to currently challenging situation, in particular at Siemens Gamesa, it is important to the Executive and Supervisory Boards that a "pay for performance" approach is guaranteed in the Executive Board's compensation. Siemens Gamesa's performance, which has not met expectations, is visible on the one hand in the short-term variable compensation (Bonus) but has an even larger impact on long-term variable compensation. The first transfer of Siemens Energy Stock Awards will take place in November 2024 and will therefore be disclosed in the compensation report for fiscal year 2025. In order to presently guarantee a high level of transparency, the table below employs Dr.-Ing. Christian Bruch as a representative example to demonstrate the course of target attainment in the Bonus over time as well as the "notional" value of unvested Siemens Energy Stock Awards tranches at transfer. Target attainment and notional value as a percentage of the target value apply to all members of the Executive Board who received a grant under the respective tranches, with the exception of the 2022 tranche for Karim Amin. The notional value as a percentage of target value for this grant is slightly higher due a lower fair market value at grant.

The notional value represents the estimated monetary value of an unvested Siemens Energy Stock Awards tranche based on preliminary estimated target attainment (as of October 31, 2023) and the closing price of Siemens Energy's shares as of October 31, 2023 (€8.37). For all three unvested Siemens Energy Stock Awards tranches, the notional value at transfer is substantially below the respective target value.

Variable compensation for fiscal years 2021–2023: Bonus payout amounts and notional value of unvested Siemens Energy Stock Awards tranches

Representative example: Dr.-Ing. Christian Bruch

	Bonus			Siemens Energy Stock Awards				
	Target value	Target attainment	Amount paid out	Target value	Fair market value at grant (FMV)	Target attainment (estimate)[1]	Notional value[2] (share price €8.37)	Notional value as a % of target value
Fiscal year 2023	€1,502,500	84%	€1,264,504	€2,128,333	€13.26	72%	€961,693	45%
Fiscal year 2022	€1,440,000	103%	€1,489,104	€1,920,000	€24.44	81%	€530,530	28%
Fiscal year 2021	€1,140,000	83%	€1,199,520	€1,920,000	€19.74	35%	€281,681	15%

1 Target attainment is calculated using a "best estimate" approach. For relative total shareholder return (TSR), target attainment is estimated for the respective pro-rata performance period (e.g. for the 2021 tranche of Siemens Energy Stock Awards, Siemens Energy's TSR is compared with the two relevant comparison indices for the 24 months of the performance period already elapsed as of October 31, 2023). For earnings per share, the target value (Ø of four fiscal years) is compared to an estimate comprising actuals for past fiscal years, the most recent forecast for the current fiscal year and budget values for the following fiscal year(s). For targets on environmental, social and governance (ESG) metrics, the progress toward reaching targets is measured using linear interpolation (e.g. if the employee net promoter score over four years should improve from -5 to +5, a value of 0 after two fiscal years would correspond to an estimated target attainment of 100%).

2 The notional value of a Stock Awards tranche is calculated based on the number of Siemens Energy Stock Awards granted, multiplied by the estimated target attainment as of October 31, 2023 and as well as Siemens Energy's share price on October 31, 2023 (€8.37). For all unvested tranches, the difference between the cumulative target values for Dr.-Ing. Christian Bruch and the estimated notional values amounts to €4,194,429.

Preview of Executive Board compensation for fiscal year 2024

The Supervisory Board annually selects performance criteria for the variable compensation for the upcoming fiscal year and also sets corresponding targets. In addition, the Supervisory Board continually reviews potential for improvement within the compensation system according to Section 87a of the German Stock Corporation Act that was approved by shareholders.

For fiscal year 2024, the Supervisory Board did not make any changes to the applicable performance criteria. Target values and target attainment for the respective performance criteria will be disclosed ex-ante (target setting Stock Awards – ESG) or ex-post (target setting Bonus, Stock Awards – EPS; all target attainment).

The compensation system for Executive Board members will be subject to approval by the Annual Shareholders' Meeting in 2025, pursuant to Section 120a of the German Stock Corporation Act. During the course of fiscal year 2024, the Supervisory Board intends to assess the current compensation system and – if necessary – prepare adjustments. This process will be accompanied by intensive discussions with shareholder representatives, proxy advisors and other stakeholders.

On November 15, 2023, Siemens Energy announced that the German government agreed to provide counter-guarantees for €7.5 billion in guarantees issued by a consortium of banks. Should the agreements with the German government and other parties have any impact on the compensation of the Executive Board, this will be disclosed transparently in the compensation report for fiscal year 2024 as well as on the Company's internet site.

Supervisory Board compensation

The compensation of the Supervisory Board is set by Section 12 of the Company's Articles of Association and was confirmed by the Annual Shareholders' Meeting on February 10, 2021 with 98.9% of the votes cast. Supervisory Board compensation consists solely of fixed compensation and reflects the level of responsibility and scope of activities required of members. The Chairman, Deputy Chairmen, as well as the Chair and Members of the Presiding Committee, Audit Committee, Sustainability and Finance Committee and Related Party Transactions Committee receive additional compensation. For participation in Supervisory Board meetings and committee meetings, each member receives €1,500 per meeting but no more than €3,000 per day in case more than one of such meetings is held on the same day.Members of the Special Committee Siemens Gamesa do not receive any compensation for membership in the committee but are paid attendance fees. Members of the Supervisory Board and (or) its committees who have held office for less than a full fiscal year receive their compensation on a pro-rata temporis basis. Members of the Supervisory Board are reimbursed for expenses incurred in the course of performing their duties, including any taxes applicable on those expenses. The Chair of the Supervisory Board is also provided an office with administrative support.

Compensation of members of Supervisory Board and committees

Fixed compensation of the Supervisory Board



Chair	Deputy Chairs	Member
€240,000	€180,000	€120,000

Additional compensation for committee work**

Audit Committee		Presiding Committee		Sustainability and Finance Committee		Related Party Transaction Committee*	
Chair	Member	Chair	Member	Chair	Member	Chair	Member
€120,000	€60,000	€120,000	€60,000	€70,000	€40,000	€70,000	€40,000

* Dissolved with effect from October 1, 2023.
** Members of the Special Committee Siemens Gamesa do not receive compensation for their work on that committee.

For fiscal years 2023 and 2022, the members of the Supervisory Board received the following compensation:

Compensation awarded or due

Supervisory Board members in office as of September 30, 2023		Base compensation		Committee compensation		Attendance fees		Sum
	FY	In €	Share (in %)	In €	Share (in %)	In €	Share (in %)	In €
Joe Kaeser (Chair)	2023	240,000	45.6	250,000	47.5	36,000	6.8	526,000
	2022	240,000	44.9	250,000	46.7	45,000	8.4	535,000
Robert Kensbock[1] (1st Deputy Chair)	2023	180,000	43.0	200,000	47.7	39,000	9.3	419,000
	2022	180,000	42.2	200,000	46.9	46,500	10.9	426,500
Dr. Hubert Lienhard (2nd Deputy Chair)	2023	180,000	57.0	100,000	31.6	36,000	11.4	316,000
	2022	180,000	56.7	100,000	31.5	37,500	11.8	317,500
Günter Augustat[1]	2023	120,000	69.2	40,000	23.1	13,500	7.8	173,500
	2022	120,000	68.0	40,000	22.7	16,500	9.3	176,500
Manfred Bäreis[1]	2023	120,000	60.2	60,000	30.1	19,500	9.8	199,500
	2022	120,000	59.7	60,000	29.9	21,000	10.4	201,000
Manuel Bloemers[1,2] (since September 2022)	2023	120,000	93.0	0	0	9,000	7.0	129,000
	2022	10,000	87.0	0	0	1,500	13.0	11,500
Dr. Christine Maria Bortenlänger	2023	120,000	49.8	100,000	41.5	21,000	8.7	241,000
	2022	120,000	49.5	100,000	41.2	22,500	9.3	242,500
Dr. Andrea Fehrmann[1]	2023	120,000	60.2	60,000	30.1	19,500	9.8	199,500
	2022	120,000	59.7	60,000	29.9	21,000	10.4	201,000
Dr. Andreas Feldmüller	2023	120,000	70.4	40,000	23.5	10,500	6.2	170,500
	2022	120,000	69.8	40,000	23.3	12,000	7.0	172,000
Nadine Florian[1]	2023	120,000	58.0	60,000	29.0	27,000	13.0	207,000
	2022	120,000	59.7	60,000	29.9	21,000	10.4	201,000

Compensation awarded or due

Supervisory Board members in office as of September 30, 2023		Base compensation		Committee compensation		Attendance fees		Sum
	FY	In €	Share (in %)	In €	Share (in %)	In €	Share (in %)	In €
Sigmar Gabriel	2023	120,000	70.4	40,000	23.5	10,500	6.2	170,500
	2022	120,000	69.8	40,000	23.3	12,000	7.0	172,000
Horst Hakelberg[1]	2023	120,000	67.4	40,000	22.5	18,000	10.1	178,000
	2022	120,000	69.8	40,000	23.3	12,000	7.0	172,000
Jürgen Kerner[1]	2023	120,000	46.9	100,000	39.1	36,000	14.1	256,000
	2022	120,000	47.2	100,000	39.3	34,500	13.6	254,500
Hildegard Müller	2023	120,000	59.9	70,000	34.9	10,500	5.2	200,500
	2022	120,000	59.4	70,000	34.7	12,000	5.9	202,000
Laurence Mulliez	2023	120,000	44.9	120,000	44.9	27,000	10.1	267,000
	2022	120,000	47.8	110,000	43.8	21,000	8.4	251,000
Thomas Pfann[1,2] (since September 2022)	2023	120,000	69.8	40,000	23.3	12,000	7.0	172,000
	2022	10,000	67.4	3,333	22.5	1,500	10.1	14,833
Matthias Rebellius	2023	120,000	66.9	40,000	22.3	19,500	10.9	179,500
	2022	120,000	68.6	40,000	22.9	15,000	8.6	175,000
Prof. Dr. Ralf P. Thomas	2023	120,000	59.7	60,000	29.9	21,000	10.4	201,000
	2022	120,000	55.6	75,000	34.7	21,000	9.7	216,000
Geisha Jimenez Williams	2023	120,000	69.2	40,000	23.1	13,500	7.8	173,500
	2022	120,000	68.0	40,000	22.7	16,500	9.3	176,500
Randy Zwirn	2023	120,000	88.9	0	0	15,000	11.1	135,000
	2022	120,000	92.0	0	0	10,500	8.0	130,500
Supervisory Board members who left in fiscal year 2022								
Rüdiger Groß[1] (until September 2022)	2022	110,000	68.7	36,667	22.9	13,500	8.4	160,168
Hagen Reimer[1] (until September 2022)	2022	110,000	92.4	0	0	9,000	7.6	119,000
Sum	**2023**	**2,640,000**	**58.5**	**1,460,000**	**32.3**	**414,000**	**9.2**	**4,514,000**
	2022	2,640,000	58.3	1,465,000	32.4	423,000	9.3	4,528,000

1 These employee representatives on the Supervisory Board as well as representatives of the labor unions on the Supervisory Board have elected to transfer their compensation to the Hans Boeckler Foundation, in line with the guidelines of the Confederation of German Trade Unions.

2 These employee representatives were appointed to the Supervisory Board of Siemens Energy AG by a resolution of the Munich District Court on August 2, 2022, effective from September 1, 2022. Their base compensation for fiscal year 2022 is determined on a pro-rata temporis basis, rounded up to the next full month (fiscal year 2022 = 1/12 months).

Other

The Company provides a directors' and officers' liability group insurance policy for Supervisory and Executive Board members and certain other employees of the Siemens Energy Group. The policy is taken out for and renewed one year at a time. It covers the personal liability of the insured individuals in cases of financial loss associated with their activities on behalf the Company. With effect from their appointment as members of the Executive Board, these individuals are subject to a mandatory deductible that complies with the requirements of the German Stock Corporation Act.

Comparative presentation

In accordance with Section 162 para. 1 s. 2 No. 2 of the German Stock Corporation Act, the following table shows the change in compensation for members of the Executive Board and members of the Supervisory Board in comparison to the workforce in Germany on a full-time equivalent basis. Further, change over time in the Company's financial performance is reported on the basis of two performance criteria that are used for managing the Group. The comparative presentation is affected by exceptional effects in connection with the Spin-Off of Siemens Energy from the Siemens Group. None of the members of the Executive Board were in office for the entirety of fiscal year 2020, but rather Dr.-Ing. Christian Bruch, Maria Ferraro, Dr.-Ing. Jochen Eickholt and Tim Holt were appointed with effect from April 1, 2020 or May 1, 2020.

The members of the Supervisory Board who received compensation for fiscal year 2020 were appointed with effect from September 25, 2020 and thus received base compensation and compensation for work on board committees on a pro-rata temporis basis, rounded up to the next full month. In order to ensure comparability between fiscal years 2020 and 2021 and with compensation paid to the workforce in Germany, the compensation awarded or due to the members of the Executive and Supervisory for fiscal year 2020 was extrapolated for the full year. Only two Supervisory Board committees were constituted in fiscal year 2020, the Presiding Committee and the Audit Committee. As a result, compensation for the members of the Sustainability and Finance Committee and the Related Party Transaction Committee – which were constituted on December 3, 2020 – increased in fiscal year 2021 solely due to their work on committees that had not yet been formed in fiscal year 2020. No adjustments were made to the Supervisory Board compensation laid out in Section 12 of the Company's Articles of Association.

Comparative presentation – Change in the compensation of the members of governing bodies, the average compensation of employees and the profit situation of the Company[1]

		In k €	2020	2021	In %	2022	In %	2023	In %
Compensation comparison	Executive Board members in office as of September 30, 2023[2]	Dr.-Ing. Christian Bruch (President & CEO)[3]	3,311	3,418	3%	3,524	3%	3,333	(5)%
		Maria Ferraro	1,646	1,671	1%	1,720	3%	1,812	5%
		Tim Holt	1,426	1,610	13%	1,901	18%	1,971	4%
		Karim Amin	–	–	–	892	–	1,583	77%
		Anne-Laure de Chammard	–	–	–	–	–	3,405	–
		Vinod Philip	–	–	–	–	–	1,429	–
	Executive Board member who left during fiscal year 2022	Dr.-Ing. Jochen Eickholt	1,607	1,715	7%	2,112	23%	–	–
	Supervisory Board members in office as of September 30, 20234	Joe Kaeser (Chair)	438	508	16%	535	5%	526	(2)%
		Robert Kensbock (1st Deputy Chair)	–	357	–	427	19%	419	(2)%
		Dr. Hubert Lienhard (2nd Deputy Chair)	258	299	16%	318	6%	316	0%
		Günter Augustat	–	154	–	177	15%	174	(2)%
		Manfred Bäreis	–	175	–	201	15%	200	(1)%
		Manuel Bloemers	–	–	–	12	–	129	1,022%
		Dr. Christine Maria Bortenlänger	198	234	18%	243	3%	241	(1)%
		Dr. Andrea Fehrmann	–	175	–	201	15%	200	(1)%
		Dr. Andreas Feldmüller	–	154	–	172	12%	171	(1)%
		Nadine Florian	–	175	–	201	15%	207	3%
		Sigmar Gabriel	–	165	20%	172	4%	171	(1)%
		Horst Hakelberg	–	154	–	172	12%	178	3%
		Jürgen Kerner	–	213	–	255	20%	256	1%
		Hildegard Müller	138	190	38%	202	6%	201	(1)%
		Laurence Mulliez	198	200	1%	251	26%	267	6%
		Thomas Pfann	–	–	–	15	–	172	1,060%
		Matthias Rebellius	138	165	20%	175	6%	180	3%
		Prof. Dr. Ralf P. Thomas	258	261	1%	216	(17)%	201	(7)%
		Geisha Jimenez Williams	138	168	22%	177	5%	174	(2)%
		Randy Zwirn	138	131	(5)%	131	0%	135	3%
	Supervisory Board members who left in September 2022	Rüdiger Groß	–	152	–	160	5%	–	–
		Hagen Reimer	–	119	–	119	0%	–	–
	Workforce[5]	Total workforce in Germany	100	104	4%	107	3%	111	4%
Development of the Company's profit situation	Siemens Energy AG:Net profit (in m €)		200	172	(28)	(6)	(177)	48	53
	Siemens Energy Group: Adjusted EBITA margin before Special items (until FY 2022) / Profit margin before Special Items (from FY 2023)		(0.1)%	2.3%	2.4 PP	1.3%	(1.0) PP	(8.9)%	(10.2) PP
	Siemens Energy Group: Undiluted Earnings per Share (EPS; in €)		(2.21)	(0.63)	1.58	(0.65)	(0.02)	(5.47)	(4.82)

1 Due to the Spin-Off of the Siemens Energy Group from Siemens AG on September 25, 2020, the change over time is only shown beginning with fiscal year 2020.

2 To ensure comparability with compensation awarded or due to the members of the Executive Board in fiscal year 2020, two compensation elements in connection with the mid-year appointment of the members of the Executive Board in April/ May 2020 and with the Spin-Off of Siemens Energy from the Siemens Group in September 2020 are not included in the compensation awarded or due in fiscal year 2020 disclosed above. First, Maria Ferraro, Dr.-Ing. Jochen Eickholt and Tim Holt received grants of Siemens Stock Awards at the beginning of fiscal year 2020 as part of their functions at the time within the Siemens Group. These grants were – along with all other Siemens equity awards for employees of Siemens Energy and in accordance with the applicable plan rules for Siemens Stock Awards – settled in cash following the Spin-Off of Siemens Energy from the Siemens Group. A portion of the value of these cash settlements is attributable to the period in fiscal year 2020 during which the members of the Executive Board were in office: for Maria Ferraro this amounted to €151,087, for Dr.-Ing Jochen Eickholt €205,162 and for Tim Holt €254,684. Further, the members of the Executive Board received cash payments in fiscal year 2020 in lieu of (additional) grants of Siemens Stock Awards. For the partial term of office in fiscal year 2020, this payment amounted to €800,000 for Dr.-Ing. Christian Bruch, €251,668 for Maria Ferraro, €271,908 for Dr.-Ing. Jochen Eickholt and €230,000 for Tim Holt. If the cash settlements for Siemens Stock Awards and the cash payments in lieu of (additional) Siemens Stock Awards grants are included, compensation awarded or due in fiscal year 2020 – adjusted to a full-year basis – would amount to €5.2 million for Dr.-Ing. Christian Bruch (Δ fiscal year 2021 = -35%), €2.6 million for Maria Ferraro (Δ fiscal year 2021 = -35%), €2.4 million for Dr.-Ing. Jochen Eickholt (Δ fiscal year 2021 = -28%) and €2.4 million for Tim Holt (Δ fiscal year 2021 = -33%).

3 In fiscal year 2020, Dr.-Ing. Christian Bruch was awarded a compensatory payment in the amount of €3.2 million for forfeited compensation claims with his previous employer. A corresponding adjustment was made to Dr.-Ing. Christian Bruch's compensation awarded or due for fiscal year 2020. If the compensatory payment is considered, Dr.-Ing. Christian Bruch's compensation in fiscal year 2020 on a full-year basis amounts to €6.5 million. From this baseline, compensation for Dr.-Ing. Christian Bruch in fiscal year 2021 fell by 48%.

4 Shareholder representatives were appointed as members of the Supervisory Board of Siemens Energy AG via resolution of the Extraordinary Shareholders' Meeting on August 20, 2020 with effect from September 25, 2020. Manuel Bloemers and Thomas Pfann, who are employee representatives, were appointed to the Supervisory Board of Siemens Energy AG by a resolution of the Munich District Court on August 2, 2022, effective from September 1, 2022. Their base compensation for fiscal year 2022 is determined on a pro-rata temporis basis, rounded up to the next full month (fiscal year 2022 = 1/12 months). The remaining employee representatives were appointed to the Supervisory Board of Siemens Energy AG effective November 10, 2020.

5 The disclosed total workforce in Germany comprises employees (full time equivalent as of September 30 of the fiscal year) of Siemens Energy excluding Siemens Gamesa in Germany (fiscal year 2023: 21,921; fiscal year 2022: 21,882; fiscal year 2021: 22,424). This figure excludes interns, working students, doctoral students and trainees. Compensation for the workforce is calculated based on personnel expenses recorded for fiscal year 2022, less expenses for the Executive Board's compensation. In order to maintain comparability with compensation for the Executive and Supervisory Boards, the disclosed average compensation of the workforce consists of the following elements: wages and salaries, variable compensation elements, capital accumulation benefits, one-off payments, specific allocations, employer contributions to social insurance plans, statutory accident insurance, employer allowance for health and invalidity insurance for privately insured and voluntarily publicly insured individuals, employer contributions to the public pension system, as well as expenses for shares that were transferred to employees as part of the Direct Match Program, an employee share purchase plan. One-off Stock Awards and share awards to managers and employees under special share-based compensation programs in connection with the Spin-Off of Siemens Energy from the Siemens Group granted in fiscal year 2021 are not included since the Executive Board did not receive any similar payments or equity grants. If these programs were considered, the average compensation for the workforce in Germany for fiscal year 2021 would be €1,984 higher than disclosed above. No such awards were granted in fiscal years 2022 and 2023 .

Siemens Energy AG

The Executive Board The Supervisory Board

Audit report by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, on the audit of the Compensation Report of Siemens Energy AG for fiscal year 2023 in accordance with Section 162 (3) of the German Stock Corporation Act (AktG)

Independent auditor's report

To Siemens Energy AG, Munich

We have audited the attached compensation report of Siemens Energy AG, Munich prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from October 1, 2022 to September 30, 2023 and the related disclosures.

Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of Siemens Energy AG are responsible for the preparation of the compensation report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a compensation report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's responsibility

Our responsibility is to express an opinion on this compensation report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the compensation report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the compensation report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the compensation report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the compensation report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the fiscal year from October 1, 2022 to September 30, 2023 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the compensation report

The audit of the content of the compensation report described in this auditor's report comprises the formal audit of the compensation report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the compensation report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the compensation report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on January 1, 2017 are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, December 5, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Breitsameter	Oßmann
Wirtschaftsprüferin [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

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