

SIEMENS



SIEMENS AKTIENGESELLSCHAFT ÖSTERREICH

Facts and Figures

2023

Siemens Aktiengesellschaft
Österreich, Vienna

Financial Statements
as of September 30, 2023 (Translation)

Balance sheet as of September 30, 2023

Assets	9/30/2023	9/30/2022	Equity and liabilities	9/30/2023	9/30/2022
	€	€000		€	€000
A. Fixed assets			A. Shareholders' equity		
I. Intangible assets	0	0	I. Subscribed, called-up, and paid-in capital stock	125,925,000	125,925
II. Property, plant, and equipment	123,589,320	122,204	II. Capital reserves		
III. Financial assets	581,288,342	574,719	1. Restricted	265,603,867	265,604
	<u>704,877,662</u>	<u>696,923</u>	2. Non-restricted	<u>368,039,808</u>	<u>366,867</u>
B. Current assets			III. Retained earnings	633,643,675	632,471
I. Inventories			1. Unappropriated reserves	9,053,312	9,053
1. Raw materials and supplies	64,324,406	51,501	IV. Net profit	110,814,629	160,524
2. Work in process	5,592,772	6,188	thereof profit carried forward: €35; 2022: €1 thousand	<u>879,436,616</u>	<u>927,973</u>
3. Finished goods and merchandise	6,050,945	4,503	B. Government grants	283,157	60
4. Services not yet chargeable	240,511,026	216,788	C. Provisions		
5. Advance payments made	9,785,267	6,791	1. Provisions for termination benefits	49,463,663	48,779
6. Advance payments received	<u>-100,729,651</u>	<u>-91,252</u>	2. Provisions for post-employment benefits	19,400,981	21,173
	<u>225,534,765</u>	<u>194,519</u>	3. Accrued income tax	5,731,773	3,590
II. Accounts receivable and other assets			4. Other provisions	<u>161,139,262</u>	<u>164,072</u>
1. Accounts receivable – trade	122,789,525	122,204	D. Liabilities		
thereof with a maturity of more than one year: €8,972,181; 2022: €9,325 thousand			1. Advanced payments received	43,915,259	31,198
2. Accounts receivable – affiliated companies	384,232,351	362,104	thereof with a maturity of up to one year: €13,915,259; 2022: €1,198 thousand		
thereof with a maturity of more than one year: €0; 2022: €0 thousand			thereof with a maturity of more than one year: €0; 2022: €0 thousand		
3. Accounts receivable – associated companies	861,269	497	2. Accounts payable – trade	67,520,772	69,114
thereof with a maturity of more than one year: €0; 2022: €0 thousand			thereof with a maturity of more than one year: €0; 2022: €0 thousand		
4. Other receivables and assets	55,165,572	66,340	3. Accounts payable – affiliated companies	193,590,404	107,178
thereof with a maturity of more than one year: €1,528,007; 2022: €2,182 thousand			thereof with a maturity of up to one year: €186,039,711; 2022: €100,696 thousand		
	<u>563,048,717</u>	<u>551,145</u>	thereof with a maturity of more than one year: €7,550,693; 2022: €6,482 thousand		
III. Cash on hand, cash in banks	<u>5,843,153</u>	<u>6,018</u>	4. Other liabilities	91,391,366	92,114
	<u>794,426,635</u>	<u>751,682</u>	thereof with a maturity of up to one year: €9,221,148; 2022: €8,709 thousand		
C. Deferred items	2,412,765	2,351	thereof with a maturity of more than one year: €2,170,218; 2022: €1,340,5 thousand		
D. Deferred tax assets	21,717,000	24,403	thereof due to taxes: €27,059,279; 2022: €26,944 thousand		
			thereof with a maturity of up to one year: €27,059,279; 2022: €26,944 thousand		
			thereof with a maturity of more than one year: €0; 2022: €0 thousand		
			thereof due to social security: €12,550,114; 2022: €12,318 thousand		
			thereof with a maturity of up to one year: €12,550,114; 2022: €12,318 thousand		
			thereof with a maturity of more than one year: €0; 2022: €0 thousand		
			Total liabilities	<u>396,417,801</u>	<u>299,604</u>
			thereof with a maturity of up to one year: €76,696,890; 2022: €79,717 thousand		
			thereof with a maturity of more than one year: €19,720,911; 2022: €19,887 thousand		
			E. Deferred items	11,560,809	10,108
				<u>1,523,434,062</u>	<u>1,475,359</u>
	<u>1,523,434,062</u>	<u>1,475,359</u>			

Income statement

Fiscal years ended September 30, 2023, and September 30, 2022

	2023 €	2022 €000
1. Revenue	1,410,959,804	1,310,773
2. Cost of sales	-1,191,128,308	-1,114,526
3. Gross profit on sales	219,831,496	196,247
4. Marketing and selling expenses	-135,697,351	-125,588
5. General administrative expenses	-23,269,458	-17,955
6. Other operating income	15,579,319	22,599
7. Other operating expenses	-1,907,827	-2,628
8. Subtotal of lines 3 to 7 (operating result)	74,536,179	72,675
9. Income from investments in affiliated and associated companies thereof from affiliated companies: €4,948,377; 2022: €9,848 thousand	44,948,377	94,848
10. Income from other securities classified as financial assets thereof from affiliated companies: €0; 2022: €0 thousand	34,531	35
11. Other interest income and similar income thereof from affiliated companies: €7,715,227; 2022: €18 thousand	11,617,678	27,725
12. Income from the disposal and write-up of financial assets	100,000	21,016
13. Expenses arising from financial assets thereof a) write-downs: €1,322,162; 2022: €14,431 thousand b) expenses arising from affiliated companies: €0; 2022: €3,112 thousand	-1,322,162	-14,431
14. Interest and similar expenses thereof for affiliated companies: €265,414; 2022: €1,690 thousand	-1,269,998	-1,826
15. Subtotal of lines 9 to 14 (financial result)	54,108,426	127,367
16. Earnings before taxes	128,644,605	200,042
17. Income tax	-17,830,311	-42,112
18. Earnings after taxes = Net profit for the year	110,814,294	157,930
19. Increase in net assets due to carve-out	0	2,593
20. Profit carried forward	335	1
21. Net profit	110,814,629	160,524

Notes for Siemens Aktiengesellschaft Österreich for fiscal year 2023

1. General

The annual financial statements of Siemens Aktiengesellschaft Österreich as of September 30, 2023, were prepared in accordance with the Austrian Commercial Code (UGB) as amended. The income statement was prepared on the basis of the cost-of-sales accounting format.

Certain reportable items were aggregated in the balance sheet and the income statement. These items are disclosed in the following notes.

The effects of the COVID-19 pandemic, which was still one of the material economic factors in the previous fiscal year, abated substantially in fiscal year 2023. There were no effects on items in the annual financial statements or the application of the going concern principle.

The impact of the current geopolitical situation resulting from the Russia-Ukraine war and the sanctions imposed by the international community will depend on the development and duration of the conflict and cannot be predicted at this time. However, it is not to be expected that this will have any effects on the recognition and measurement principles that have been applied up to now or on the application of the going concern principle.

The following notable events occurred in fiscal year 2023:

Capital reduction of Siemens Metals Technologies Vermögensverwaltungs GmbH, Vienna

At Siemens Metals Technologies Vermögensverwaltungs GmbH, Vienna, a capital reduction in the amount of €57,638 thousand was passed by way of a shareholders' resolution dated July 7, 2022. The capital reduction was entered into the commercial register on January 6, 2023.

Purchase of Innomotics, s.r.o., Brno

Effective September 1, 2023, Innomotics, s.r.o., Brno (formerly: Siemens Large Drives, s.r.o., Drásov), was purchased from Siemens Aktiengesellschaft, Berlin and Munich.

Sale of business activities to Innomotics GmbH, Vienna

By way of an asset deal dated May 1, 2023, parts of the Motion Control Business Unit were sold to Innomotics GmbH, Vienna.

2. Recognition and measurement principles

The financial statements were prepared in accordance with **generally accepted accounting principles** as well as general standards to present a true and fair view of the company's assets, liabilities, and financial and earnings position.

The principles of completeness and individual valuation were adhered to, and the going concern principle was applied.

The principle of prudence was adhered to by applying the **impairity principle**. Only those profits are reported that were realized and earned as of the balance sheet date, and adequate provisions have been made for all risks and potential losses foreseeable on the balance sheet date and at the time that the financial statements were prepared.

Intangible assets are valued at their acquisition cost less scheduled amortization, with the half-year method applying in the year of acquisition. Impairment charges are recorded when the fair value at the balance sheet date is below book value and the decrease in value is other than temporary.

Property, plant, and equipment are valued at their acquisition cost or production cost, less scheduled depreciation where depreciable, and less impairment charges where required.

The definition of production costs for the valuation of self-produced property, plant, and equipment corresponds to that applied for inventories.

The scheduled depreciation is calculated on a straight-line basis over the useful life of the respective asset, with the half-year method applying in the year of acquisition. Impairment charges are recorded when the fair value at the balance sheet date is below book value and the decrease in value is other than temporary.

The following **useful lives** are applied for amortization and straight-line depreciation:

	Useful life in years
Intangible assets	4
Buildings	5–33
Technical equipment and machinery	5–20
Other equipment, plant, and office equipment	2–5
Special tools, special test equipment, and standard tools	1
Leased equipment	5

Low-value assets are recognized in the year of acquisition, written off in full, and reported as additions and disposals in the schedule of changes in fixed assets in the year of acquisition.

Financial assets are valued as follows:

- Investments in affiliated and associated companies at historical cost, reduced where appropriate to recognize a decline other than temporary in the value of the investments and increased by impairment charge reversals when the reason for the impairment no longer applies. The valuation approaches applied are the discounted cash flow method and the income approach.
- Financial investments at their historical cost taking into account the reduction of any premium contained in the purchase price using straight-line amortization or at lower exchange prices prevailing on the balance sheet date when the decrease in value is other than temporary.

Raw materials and supplies are valued at their average historical cost according to the moving average price method or at the lower values prevailing on the balance sheet date.

Work in progress and finished goods are valued at their production cost. The production costs include direct materials and direct labor as well as an appropriate portion of material and production overhead as well as expenses for social benefits as defined in § 203 (3) UGB, but not directly attributable interest on borrowings.

Merchandise is valued at its average historical cost according to the moving average price method or at the lower value prevailing on the balance sheet date.

Services not yet chargeable are valued in the same manner as products. Neither the proportional administrative and selling expenses nor interest on borrowings are capitalized. Advance payments received from customers are deducted from the finished work.

Inventory risks arising from extended storage and reduced usability are accounted for by reasonable allowances.

Appropriate provisions are made to cover **expected losses from pending transactions**.

Accounts receivable and other assets are reported at their nominal value, or in the event of foreseeable risks, at their lower fair value. Accounts receivable denominated in foreign currencies are hedged in accordance with the group currency policy and valued at the lower of cost or market using the average closing exchange rate as of the balance sheet date. Appropriate base allowances are determined on the basis of standard, group-wide customer and sector ratings to cover general credit risks. Non-interest bearing or low-interest bearing receivables are reduced to their discounted value using a standard market interest rate.

Deferred taxes are calculated pursuant to § 198 (9) and (10) UGB using the balance sheet approach and without a discount, based on the legally defined corporate income tax rate at the time of measurement.

The proposed amendment to the Corporate Income Tax Act (Körperschaftsteuergesetz; KStG) regarding the tax rate was enacted by the Austrian Parliament on January 20, 2022. The tax rate will be lowered from the previous level of 25 percent to 24 percent in 2023 and to 23 percent in 2024.

Therefore, the deferred taxes reported in the balance sheet as of September 30, 2023, were measured using the future tax rate. Based on the terms of the underlying temporary differences and for reasons of materiality, a tax rate of 23 percent (2022: 23 percent) was applied to all items.

The **current taxes** were calculated for fiscal year 2023 using a tax rate of 24.25 percent according to the stipulation defined in § 26c no. 85 lit b) KStG 1988. In the prior year, a tax rate of 25 percent was applied for current taxes.

Investment premiums are recognized with no impact on profit or loss in a separate liabilities item in accordance with the gross method and released through profit or loss over the useful life of the given asset. This is reported in other operating income.

The [provisions for termination benefits and anniversary bonuses](#) are computed using the projected unit credit method according to IAS 19. The calculation was performed using an interest rate as of the balance sheet date of 4.44 percent (2022: 3.67 percent) and a growth rate of 6.00 percent of the relevant assessment basis in the first subsequent year and 3.00 percent from the second subsequent year (2022: 3.00 percent for all subsequent years), based on the AVÖ 2018-P mortality tables for salaried employees (2022: AVÖ 2018-P mortality tables).

The earliest possible entry age for the (early) retirement pension pursuant to the 2004 Pension Reform (2003 Budget Accompanying Act [Budgetbegleitgesetz 2003]) was applied as the actuarial retirement age, taking the transitional arrangements into account. For female prospective beneficiaries, the actuarial retirement age (early retirement age) was gradually increased in accordance with the Federal Constitutional Law on Age Limits (BVG Altersgrenzen). Any individual retirement dates of which the company has been notified were taken into account.

The end of financing applied is the earlier of the actuarial retirement age or the 25th year of service (for termination benefits). Age-dependent fluctuation rates of 0.00 percent to 11.81 percent (2022: 0.00 percent to 10.29 percent) were also applied.

The [provisions for post-employment benefits](#) are computed using the projected unit credit method according to IAS 19. The calculation was performed using an interest rate as of the balance sheet date of 4.44 percent (2022: 3.67 percent) and a growth rate for the current benefits of 0.00 percent or 4.00 percent from the first subsequent year and 0.00 percent or 2.00 percent from the second subsequent year (2022: 0.00 percent or 2.00 percent for all subsequent years), based on the AVÖ 2018-P mortality tables for salaried employees (2022: AVÖ 2018-P mortality tables). As in the previous year, the provisions for post-employment benefits do not pertain to any active employees.

In line with a group policy, the interest rate applied for the actuarial valuation of the provisions for termination benefits, post-employment benefits, and anniversary bonuses as of September 30, 2023, was not specified by Siemens headquarters as in the past, but rather provided by the local actuary.

The option to recognize the actuarial interest in the financial result was employed for the recognition of the provisions for termination benefits, post-employment benefits, and anniversary bonuses.

In keeping with the concept of prudence, the item **other provisions** is composed of provisions for all other foreseeable risks as well as for liabilities for which the existence or amount is uncertain on the balance sheet date and at the time the financial statements were prepared based on the expected repayment amounts. They consist of provisions for warranties, other project-related provisions and deferred items, personnel expenses, and other risks.

The non-current provisions are discounted using a matched-maturity interest rate published by Deutsche Bundesbank. The option to recognize the actuarial interest in the financial result was employed.

Liabilities are reported at their repayment amounts. Liabilities denominated in foreign currencies are hedged in accordance with the group currency policy and valued at the higher of cost or market using the average closing exchange rate as of the balance sheet date.

The **derivative financial instruments** used in the reporting period consisted of forward exchange transactions. The values were calculated as of the balance sheet date based on changes in forward exchange rates. No valuation units were formed with the hedged underlying transactions. Thus, the derivatives were valued according to the imparity principle. Forward exchange transactions were only conducted with Siemens Aktiengesellschaft, Berlin and Munich.

3. Notes to the balance sheet

Fixed assets

The breakdown of and changes in the aggregate fixed assets reported in the balance sheet for fiscal year 2023 can be found in Annex 1, “Changes in fixed assets.”

Information about the most important equity holdings can be found in the “Summary of investments in affiliated and associated companies” (Annex 2).

The other financial investments break down as follows:

	9/30/2023 Book value €000	9/30/2023 Fair value €000	9/30/2022 Book value €000	9/30/2022 Fair value €000
Financial investments	10,179	9,635	10,264	9,736

As in the prior year, no impairment charge was recognized for the current market price in fiscal year 2023 because these are fixed-income securities with a fixed redemption amount.

Accounts receivable and other assets

Information on the maturity and structure of accounts receivable and other assets can be found in the relevant balance sheet item. No receivables were collateralized by bill of exchange as of September 30, 2023, or September 30, 2022. General allowances in the amount of €282 thousand (2022: €426 thousand) were allocated for general credit risks related to the trade receivables outstanding as of September 30, 2023.

The accounts receivable from affiliated companies include the following:

	2023	2022
	€000	€000
Advance payments made	16,422	9,101
Accounts receivable – trade	3,016	3,300
Financial deposits	360,987	346,537
Other receivables	3,807	3,166
	384,232	362,104

The other receivables and assets after allowances include the following:

	2023	2022
	€000	€000
Receivables from tax authorities	47,485	56,557
Refund claims from Siemens Energy Austria GmbH	157	1,625
Other	7,523	8,158
	55,165	66,340

The refund claims from Siemens Energy Austria GmbH, Vienna, for third-party claims from contracts that were not transferred are covered by provisions in the same amount.

Other receivables and assets include income in the amount of €44,617 thousand (2022: €53,410 thousand) for which cash will be received after the balance sheet date.

Deferred tax assets

The deferred tax assets are the result of differences in value according to the Austrian generally accepted accounting principles and tax law that mainly pertain to provisions for post-employment benefits, provisions for termination benefits and other provisions, and the fixed assets.

The recognized deferred tax assets can be considered recoverable.

Capital stock

The company's capital stock consists of 1,725,000 fully paid-up bearer shares at zero par value and totals €125,925 thousand (2022: €125,925 thousand).

Capital reserves

The statutory reserve is allocated in the required amount and contained in the restricted capital reserve.

As in the previous year, a contribution was made in fiscal year 2023 by Siemens Konzernbeteiligungen GmbH, Vienna, the direct parent company of Siemens Aktiengesellschaft Österreich, to the second-tier subsidiary Aspern Smart City Research GmbH & Co KG, Vienna, which led to an increase in the non-restricted capital reserves in the amount of €1,173 thousand (2022: €1,312 thousand).

The non-restricted capital reserves include an amount excluded from distribution totaling €14,746 thousand (2022: €14,746 thousand) from business combinations.

Government grants

The changes in investment premiums are as follows:

Figures in €000	As of 10/1/2022	Additions	Disposals	Releases	As of 9/30/2023
Property, plant, and equipment	60	341	0	118	283

Provisions

The total benefit obligation for pension benefits that have been outsourced and are covered by plan assets amounts to €22,873 thousand (2022: €23,042 thousand). In connection with plan assets in the amount of €15,529 thousand (2022: €14,547 thousand), this results in a net benefit obligation of €7,344 thousand (2022: €8,495 thousand).

In addition, there are further pension obligations that have not been outsourced and are not covered by plan assets for which a provision in the amount of €12,057 thousand (2022: €12,679 thousand) is recognized.

Other provisions consist of the following items:

	2023	2022
	€000	€000
Personnel expenses	92,962	87,410
Warranties	33,425	39,095
Project-related provisions and deferred items	25,267	25,404
Other	9,485	12,163
	161,139	164,072

An amount of €2,245 thousand (2022: €2,529 thousand) is recognized in the other provisions for restructuring measures that have been approved and are being implemented.

Liabilities

Information on the maturity and structure of liabilities can be found in the relevant balance sheet item. No liabilities were secured by collateral as of September 30, 2023, or September 30, 2022, and no liabilities had a remaining time to maturity of more than five years.

The accounts payable to affiliated companies include the following:

	2023	2022
	€000	€000
Advance payments received	45,360	30,684
Accounts payable – trade	4,452	399
Financial liabilities	802	801
Other liabilities	142,976	75,294
	193,590	107,178

The other accounts payable to affiliated companies primarily comprise liabilities from tax allocations in the amount of €65,268 thousand (2022: €61,827 thousand) as well as the liability for the purchase of Innomotics, s.r.o., Brno, (formerly: Siemens Large Drives, s.r.o., Drásov).

The other liabilities can be broken down as follows:

	2023	2022
	€000	€000
Liabilities to employees	44,212	45,352
Liabilities due to taxes	27,059	26,944
Liabilities due to social security	12,550	12,318
Other	7,570	7,500
	91,391	92,114

Other liabilities include expenses amounting to €65,346 thousand (2022: €65,478 thousand) that will be paid after the balance sheet date.

Deferred items

This item shows deferred income from rental and maintenance activities as well as deferrals for grants.

Hedging transactions

Derivative instruments were held for the purpose of hedging foreign currency risk as follows on the current balance sheet date and on the balance sheet date for the previous fiscal year:

	Forward currency sales €000	Forward currency purchases €000	Positive fair values €000	Negative fair values €000
9/30/2023	4,357	2,232	2	-110
9/30/2022	2,905	0	14	-11

The positive market values were not recognized in the annual financial statements in accordance with the imparity principle. Other provisions were created in the amount of €110 thousand (2022: €11 thousand) for the negative fair values.

Contingent liabilities and obligations arising from the use of property, plant, and equipment not recognized on the balance sheet

The contingent liabilities break down as follows:

	2023 €000	2022 €000
Guaranty commitments	0	16,700
Trade commitments	53,595	68,417
	53,595	85,117

This includes contingent liabilities for trade commitments for affiliated companies in the amount of €45,497 thousand (2022: €53,780 thousand).

The change in the contingent liabilities for guaranty commitments is due to the elimination of the commitment for Yunex s. r. o., Bratislava. The decline in the contingent liabilities for trade commitments is primarily due to the reduction of the liabilities assumed for Apleona Austria GmbH, Vienna.

No collateral for third-party obligations had been provided as of the balance sheet date or in the previous year.

Payment obligations from the utilization of property, plant, and equipment not recognized on the balance sheet from rental, tenancy, and lease agreements will total €7,707 thousand (2022: €6,541 thousand) for the coming fiscal year and €22,604 thousand (2022: €18,242 thousand) for the coming five fiscal years. In the case of both the current reporting period and the prior year, this item does not include any liabilities to affiliated companies for the coming fiscal year or the coming five fiscal years.

4. Notes to the income statement

Revenue

Revenue can be broken down by sales market as follows:

	2023 €000	2022 €000
Domestic revenue	939,773	863,498
Foreign revenue	471,187	447,275
thereof EU €379,653 thousand (2022: €370,796 thousand)		
thereof non-EU €91,534 thousand (2022: €76,479 thousand)		
	1,410,960	1,310,773

Revenue can be broken down according to operations as follows:

	2023 €000	2022 €000
Digital Industries	677,118	616,682
Smart Infrastructure	634,500	579,291
Large Drives Applications	0	17,114
Other	99,342	97,686
	1,410,960	1,310,773

In the prior year, the Large Drives Applications activities were only contained in the relevant items of the income statement of Siemens Aktiengesellschaft Österreich up until the legal registration of the carve-out on May 3, 2022.

Manufacturing, selling, and general administrative expenses

The functional costs (manufacturing, selling, and general administrative expenses) were computed from the operational accounts according to cost center allocation.

They can be broken down into the following cost categories:

	2023 €000	2022 €000
Cost of raw materials, supplies, and merchandise	761,318	665,795
Cost of purchased services	148,028	123,545
Personnel expenses	379,552	348,744
Depreciation on property, plant, and equipment	17,404	15,234
Changes in valuation allowances and other provisions	3,250	15,829
Other operational expenses/expense adjustments	66,178	51,933
Other internally produced and capitalized assets	-1,492	-2,037
Inventory changes	-24,143	39,026
	1,350,095	1,258,069

The functional costs can be broken down as follows:

	2023 €000	2022 €000
Manufacturing expenses	1,191,129	1,114,526
Marketing and selling expenses	135,697	125,588
General administrative expenses	23,269	17,955
	1,350,095	1,258,069

The manufacturing expenses are presented less grants received for research.

Personnel

Average number of employees (full-time equivalents; not including employees completing compulsory military service, employees on leave, and apprentices):

	2023	2022
Wage earners	266	270
Salary earners	2,556	2,551
	2,822	2,821

The average number of employees for the prior year also includes the employees involved in the Large Drives Applications activities up until the legal effectiveness of the carve-out as of May 3, 2022.

Personnel expenses

Total personnel expenses can be broken down as follows:

	2023 €000	2022 €000
Wages	20,598	20,268
Salaries	265,405	243,215
Expenses for social benefits	93,549	85,261
	379,552	348,744

The wages and salaries include expenses for the changes in the provision for anniversary bonuses in the amount of €1,445 thousand (2022: €5,759 thousand) recognized through profit or loss. Of the amount listed for the previous year, expenses in the amount of €5,153 thousand pertained to the adjustment of the actuarial retirement age.

In addition, this item includes income for the changes in the restructuring provisions in the amount of €284 thousand (2022: €269 thousand).

The expenses for social benefits can be broken down as follows:

	2023 €000	2022 €000
Expenses for pension plans	10,869	7,172
Expenses for termination benefits and contributions to employee welfare funds	9,072	9,809
Expenses for mandatory social security contributions, payroll-related benefits, and other mandatory	66,227	62,470
Other personnel-related expenses	7,381	5,810
	93,549	85,261

The expenses for pension plans include pension fund contributions in the amount of €9,901 thousand (2022: €6,210 thousand) as well as pension payments and expenses from the changes in the provision for post-employment benefits in the amount of €968 thousand (2022: €962 thousand).

The expenses for termination benefits and contributions to employee welfare funds include expenses for termination benefits in the amount of €5,705 thousand (2022: €6,773 thousand). Of the amount listed for the prior year, expenses in the amount of €2,748 thousand pertained to the adjustment of the actuarial retirement age for the provision for termination benefits.

The expenses for termination benefits and post-employment benefits can be broken down as follows:

	2023 €000	2022 €000
Members of the Managing Board and managerial employees as per § 80 (1) AktG	1,494	1,350
Other employees	15,080	12,594
	16,574	13,944

Other operating income

Other operating income can be broken down as follows:

	2023 €000	2022 €000
Income from the sale of fixed assets excluding financial assets	561	6,052
Income from the release of provisions	13,709	12,721
Other income	1,309	3,826
	15,579	22,599

As in the previous year, the income from the release of provisions resulted primarily from the release of provisions for warranties.

In the prior year, the other income included payments received from bankruptcy proceedings that were concluded.

Other interest income and similar income

This item primarily contains the interest from intragroup financial deposits in the amount of €7,674 thousand (2022: €62 thousand) as well as the actuarial interest for the provisions for termination benefits, post-employment benefits, and anniversary bonuses in the amount of €3,182 thousand (2022: €27,045 thousand).

In the previous year, this item also included interest for foreign income tax receivables in the amount of €247 thousand.

Income from the disposal and write-up of financial assets

This item contains a write-up of an investment in an affiliated company in the amount of €100 thousand.

In the prior year, this item primarily consisted of the proceeds from the sale of Siemens Gebäudemanagement & -Services G.m.b.H., Vienna, and Siemens Large Drives d.o.o. Beograd, Belgrade, in the total amount of €20,716 thousand.

Expenses arising from financial assets

As in the prior year, this item contains an impairment charge on an associated company in the amount of €1,322 thousand (2022: €1,319 thousand).

In the previous year, this item also consisted of an impairment charge on the shares in Siemens Ukraine, Kyiv, in the amount of €13,100 thousand.

Interest and similar expenses

This item primarily includes interest for a foreign income tax liability in the amount of €815 thousand (2022: €0 thousand) as well as negative interest from intragroup financial deposits in the amount of €11 thousand (2022: €1,630 thousand).

Income tax

The company has been a member of the tax group parented by Siemens Konzernbeteiligungen GmbH, Vienna, pursuant to § 9 KStG since fiscal year 2005.

The fiscal results of the group members are allocated to the group parent. Assessments as defined in the tax consolidation agreement were applied for fiscal earnings adjustments between the group parent and each individual group member. Under this agreement, group members transferring a tax loss to the group parent (Siemens Konzernbeteiligungen GmbH, Vienna) receive compensation in the amount of 16 percent of the loss. Group members transferring a positive tax result benefit from the group's aggregate advantage on a pro rata basis.

Taxes on income include the tax expense from group allocations in the amount of €12,560 thousand (2022: €32,984 thousand).

Of the total income taxes, €602 thousand pertain to earnings from previous periods (2022: expenses of €1,413 thousand).

The expenses from the change in deferred tax assets total €2,686 thousand (2022: €9,186 thousand).

Increase in net assets due to carve-out

In the prior year, the carve-out of the Large Drives Applications activities into Innomatics GmbH, Vienna, (formerly: Siemens Large Drives GmbH, Vienna) resulted in a demerger gain of €3,495 thousand. The expenses and income for the Large Drives Applications activities were included in the original income and expense items of Siemens Aktiengesellschaft Österreich's income statement up until the recognition of the carve-out and in aggregate resulted in a gain of €902 thousand. This was transferred to Innomatics GmbH, Vienna, via the item Increase in net assets due to carve-out, such that a positive result from the carve-out in the total amount of €2,593 thousand was reported under this item.

	2023 €000	2022 €000
Demerger gain for Large Drives Applications	0	3,495
Result transfer for Large Drives Applications	0	-902
	0	2,593

Expenses for the financial auditor

Due to the inclusion of Siemens Aktiengesellschaft Österreich in the consolidated financial statements of Siemens Aktiengesellschaft, Berlin and Munich, and the disclosure of the expenses for the financial auditor in these consolidated financial statements, this information is not being provided in these annual financial statements.

Proposal for the appropriation of profits

For fiscal year 2023, the Managing Board proposes a dividend in the amount of €110,814 thousand from the net profit for 2023, which must be confirmed by the Annual Shareholders' Meeting.

5. Other information

Supervisory Board, Managing Board

Supervisory Board

Cedrik Neike, MBA
Chairman of the Supervisory Board

Josef Pröll, Dipl.-Ing.
Deputy Chairman of the Supervisory Board

Jürgen Wagner, Dr.
Second Deputy Chairman of the Supervisory Board

Wolfgang Anzengruber, Dipl.-Ing.

Sabine Herlitschka, Dipl.-Ing. Dr. MBA

Monika Kircher, Mag. Dr. h. c.

Stefan Piëch, Dr.

Elected by the Works Council*

Paul Lauermann, Ing.

Regina Assigal

Klaus Höbarth
(since 10/11/2022)

Eveline Zauner

Managing Board

Patricia Neumann, Mag.
Chairwoman of the Managing Board
(since 5/1/2023)

Wolfgang Hesoun, Ing.
Chairman of the Managing Board
(until 4/30/2023)

Wolfgang Wrumnig, Mag.
Chief Financial Officer

* Elected to the Supervisory Board by the Works Council pursuant to § 110 (1) of the Austrian Labor Constitution Act.

Remuneration of board members

	2023 €000	2022 €000
Members of the Managing Board (active and former)	3,551	2,891
Members of the Supervisory Board	118	128

Stock awards

The company grants stock awards to members of the Managing Board and selected key employees.

Starting with the 2022 tranche, stock awards are subject to a vesting period of roughly three years and provide an entitlement to shares in Siemens Aktiengesellschaft, Berlin and Munich, that are transferred to the recipients upon expiration of the vesting period without payment being effected. Up to and including the 2021 tranche, the vesting period is roughly four years.

Stock awards are linked to performance criteria. Starting with the 2020 tranche, 80 percent of the annual target amount is based on the relative stock yield, i.e. the development of the market price of the Siemens share during the vesting period including the dividends disbursed during this period compared with the development of the stock yield according to the MSCI World Industrial sector index, and the remaining 20 percent is based on a sustainability target that is calculated on the basis of the development of Siemens Group (excluding Siemens Healthineers) with regard to environmental, social, and governance factors.

The annual target amount for the 2018 and 2019 tranches was tied to the development of Siemens' share price compared with the share price of five of Siemens' competitors during the four-year vesting period.

The range for the achievement of the performance criteria is from 0 percent to 200 percent. Starting with the 2019 tranche, stock awards are granted solely in the form of shares. Up to and including the 2018 tranche, stock awards were granted entirely in the form of shares up to a target achievement rate of 100 percent. If the achievement rate was between 100 percent and 200 percent, an additional cash payment was made based on the level of exceedance.

In the 2023 fiscal year, stock awards with a vesting period from 2018 to 2022 (2022: 2017–2021) and amounting to €3,273 thousand (2022: €3,188 thousand) were transferred to the members of the Managing Board and selected key employees.

Information regarding the exemption from preparing consolidated financial statements

The company is in a group relationship with Siemens Aktiengesellschaft, Berlin and Munich, and its affiliated companies. The company is included in the consolidated accounts of Siemens Aktiengesellschaft, Berlin and Munich, which prepares consolidated financial statements for the largest and smallest group of companies. Due to the inclusion of Siemens Aktiengesellschaft Österreich in the consolidated financial statements of Siemens Aktiengesellschaft, Berlin and Munich, Siemens Aktiengesellschaft Österreich is not required to prepare separate consolidated financial statements. The consolidated financial statements of Siemens Aktiengesellschaft, Berlin and Munich, are filed with the commercial register of the Vienna Commercial Court under the number 252377v for Siemens Konzernbeteiligungen GmbH, Vienna.

Material events after the balance sheet date

Parts of the Motion Control Business Unit will be carved out from Siemens, s.r.o., Prague, into Siemens Large Drives, s.r.o., Drásov, effective October 1, 2023. At the same time, Siemens Large Drives, s.r.o., Drásov, will be renamed to Innomotics, s.r.o., Brno. The company will then be sold to Innomotics GmbH, Munich, as per an agreement dated September 25, 2023, and the sale will take legal effect on October 2, 2023.

No other events occurred after the balance sheet date that have an impact on the financial position of the company as of September 30, 2023.

Vienna, November 30, 2023

The Managing Board

Patricia Neumann m.p.
Chief Executive Officer

Wolfgang Wrumnig m.p.
Chief Financial Officer

Changes in fixed assets

Annex 1

Figures in €000	Acquisition/production costs				Accumulated amortization/depreciation					Net book value		
	As of 10/1/2022	Transfers	Additions	Disposals	As of 9/30/2023	As of 10/1/2022	Additions	Write-ups	Disposals	As of 9/30/2023	As of 9/30/2023	As of 9/30/2022
I. Intangible assets												
1. Licenses, industrial property rights, and similar rights and licenses to such rights	922	0	0	0	922	922	0	0	0	922	0	0
	922	0	0	0	922	922	0	0	0	922	0	0
II. Property, plant, and equipment												
1. Land, equivalent rights to property, and buildings including buildings on land not owned												
a) Property value	15,511	0	0	0	15,511	0	0	0	0	0	15,511	15,511
b) Building value	217,138	72	71	276	217,005	133,869	4,235	0	276	137,828	79,177	83,269
2. Technical equipment and machinery	41,570	1,397	3,860	663	46,164	31,098	2,117	0	652	32,563	13,601	10,472
3. Other equipment, plant, and office equipment	80,545	2,456	11,536	6,412	88,125	74,259	9,944	0	6,339	77,864	10,261	6,286
4. Leased equipment	10,230	0	548	34	10,744	7,998	1,108	0	33	9,073	1,671	2,232
5. Construction in process	4,434	-3,925	2,860	0	3,369	0	0	0	0	0	3,369	4,434
	369,428	0	18,875	7,385	380,918	247,224	17,404	0	7,300	257,328	123,590	122,204
III. Financial assets												
1. Investments in affiliated companies	1,793,824	0	64,618	57,638	1,800,804	1,238,469	0	100	0	1,238,369	562,435	555,355
2. Investments in associated companies	33,630	0	3,352	0	36,982	24,530	3,778	0	0	28,308	8,674	9,100
3. Financial investments	10,264	0	0	85	10,179	0	0	0	0	0	10,179	10,264
	1,837,718	0	67,970	57,723	1,847,965	1,262,999	3,778	100	0	1,266,677	581,288	574,719
	2,208,068	0	86,845	65,108	2,229,805	1,511,145	21,182 ¹⁾	100	7,300	1,524,927	704,878	696,923

1) Including €2,455 thousand for the shares in Aspern Smart City Research GmbH & Co KG, Vienna, held in trust

Summary of investments in affiliated and associated companies

Annex 2

Company, registered headquarters	Equity capital	Shareholding	Profit/loss	Last
	€000	%	for the period €000	reporting date
Aspern Smart City Research GmbH, Vienna	80	44.10	8	12/31/2022
Aspern Smart City Research GmbH & Co KG, Vienna	16,338	44.10	-8,232	12/31/2022
Innomotics, s.r.o., Brno (formerly: Siemens Large Drives, s.r.o., Drásov)	-25,080	100.00	-12,915	9/30/2022
Siemens d.d., Zagreb	6,607	100.00	1,397	9/30/2022
Siemens d.o.o. Beograd, Belgrade	9,299	100.00	2,408	9/30/2022
Siemens d.o.o. Sarajevo, Sarajevo ¹⁾	859	100.00	626	9/30/2022
Siemens d.o.o., Ljubljana	3,385	100.00	1,285	9/30/2022
Siemens EOOD, Sofia	9,149	100.00	3,021	12/31/2022
Siemens Metals Technologies Vermögensverwaltungs GmbH, Vienna	61,737	100.00	1,121	9/30/2022
Siemens Personaldienstleistungen GmbH, Vienna	4,790	100.00	4,527	9/30/2022
Siemens S.R.L., Bucharest	13,829	98.36	6,175	9/30/2022
Siemens s.r.o., Bratislava	25,474	100.00	3,369	9/30/2022
Siemens, s.r.o., Prague	100,837	100.00	39,177	9/30/2022
SIMEA SIBIU S.R.L., Sibiu	12,022	99.93	3,835	9/30/2022
Siemens Ukraine, Kyiv	2,078	100.00	-3,038	12/31/2022
Siemens Zrt., Budapest	4,023	100.00	1,096	9/30/2022
VVK Versicherungs-Vermittlungs- und Verkehrs-Kontor GmbH, Vienna	71	100.00	30	9/30/2022

1) In liquidation

Management's discussion and analysis for Siemens Aktiengesellschaft Österreich for fiscal year 2023

1. Report on the development of business and economic conditions

1.1. Development of business

1.1.1. Economic conditions

In line with global development, the Austrian economy lost momentum in the second half of 2022 and stagnated in the final two quarters of last year. Along with exports, value creation declined in the goods production sector. In addition, the high energy prices and increased uncertainty dampened consumer spending by private households and investment activity. Due to the strong first half of the year, the Austrian economy saw substantial year-on-year growth of 4.8 percent¹ as measured by real gross domestic product (GDP).

The economic downturn has continued in 2023. The elimination of the pandemic-related catch-up effects, significant interest rate hikes, subdued purchasing power, high energy prices, and weak international economic activity – particularly in the neighboring countries – are impeding domestic economic development. In addition to the construction sector, where value creation has already been on the decline since the third quarter of 2022, industry is now also in the midst of a recession. Furthermore, many service segments have lost a great deal of momentum. This negative trend accelerated in the second quarter of 2023. According to current economic forecasts, the Austrian economy is headed towards a mild recession and will contract by an annual average of 0.8 percent as per the Austrian Institute of Economic Research (WIFO)² and 0.4 percent as per the Institute for Advanced Studies (IHS)³.

¹ Press release: 13 164-192/23; Statistics Austria, September 2023

² "Purchasing Power Increases After Mild Recession. Economic Outlook for 2023 and 2024" (WIFO Economic Outlook 3/2023, October 2023) – in the following, the WIFO figures cited refer to this source

³ "Mild recession followed by a restrained upswing", Abstract of Autumn Forecast of the Austrian Economy 2023–2024 (IHS Economic Forecast, October 2023) – in the following, the IHS figures cited refer to this source

The current economic conditions are having a dampening effect on investment activity. After stagnating last year, gross capital formation will decline both this year (WIFO: minus 0.5 percent; IHS: minus 1.7 percent) and in 2024 (WIFO: minus 0.5 percent; IHS: minus 1.8 percent). While investments in equipment are seeing only negligible increases, a further decline in construction investments, particularly in residential and industrial construction, is expected this year (WIFO: minus 2.7 percent; IHS: minus 4.8 percent) due to the high construction prices and the significant increase in interest rates.

Although inflation has consistently decreased in Austria since the beginning of the year, it is still well above the eurozone average. After primarily being driven by rising energy prices last year, inflation has since broadened significantly. The average inflation rate is projected to come in at 7.7 percent for 2023 according to WIFO (IHS: 7.8 percent).

With an unemployment rate of 6.5 percent, the Austrian job market remains robust according to WIFO, in part due to the decline in per capita working hours since the COVID-19 pandemic as well as the increased retention of workers despite the weak economy.

In light of the reduction of inventories and falling energy prices, demand for new goods is expected to increase again in the coming year, which should also lead to a recovery in production in Austria. Greater impetus is expected from private households than from industry in 2024, as their real incomes will increase due to the delayed adjustment to inflation. On the whole, the forecasts point to moderate growth in real GDP next year (WIFO: 1.2 percent; IHS: 0.9 percent).

Despite their resilience to the economic effects of the Ukraine war, many of the economies of Central, Eastern, and Southeastern Europe that are important for Siemens Aktiengesellschaft Österreich in relation to its responsibility for countries in the region have seen growth come under pressure. The persistently high inflation, the tightening of monetary policy, and weak global conditions are weighing on economic activity and will presumably lead to a slump in growth in 2023. A recovery is expected for next year.

This year, particularly economic development in the EU countries of the region will slow significantly, not least due to the recession in Germany as well as the weak economic activity in the eurozone. For example, economic output will contract in Hungary, stagnate in Czechia and Poland, and grow only moderately in Slovakia. As a result, the countries of the Visegrád Group⁴ – which are important for Austria’s economy – will generate zero growth this year on the whole, following GDP growth of 4.3 percent⁵ last year. Romania and Croatia, whose economies are being supported by investment assistance from the EU funds, are proving resilient. In addition, Croatia saw positive stimulus from tourism and the country’s entry into the eurozone and the Schengen area.

According to the Vienna Institute for International Economic Studies (WIIW), the economies of the Western Balkan countries will see less of a negative impact compared to the EU countries of the region this year, as they will benefit from high levels of foreign direct investment, retransfers from abroad, and not least robust tourism and are expected to see growth of 2.1 percent over the course of the year following an increase of 3.2 percent last year.

The Ukrainian economy is proving surprisingly resilient in light of the immense destruction. However, the significant international financial assistance will remain crucial for further development.

1.1.2. General

Siemens celebrated its 175th anniversary in fiscal year 2023. On October 12, 1847, Siemens started operations as a small factory workshop with ten employees manufacturing pointer telegraphs, in a courtyard tucked away behind a building on Schöneberger Straße in Berlin. Now, 175 years later, Siemens has more than 320,000 employees around the world and, with around €78 billion in annual revenue, is one of the world’s largest technology powerhouses.

Over the past 175 years, Siemens has made industrial and technological history, transforming the everyday lives of people around the world. Today, Siemens is a leading technology company in digitalization. To shape the digital transformation, Siemens brings hardware and software together, combining the real and digital worlds in operational technology and information technology. These capabilities enable customers and partners to increase their productivity and competitiveness and accelerate innovation.

⁴ Poland, Slovakia, Czechia, and Hungary

⁵ “Growth in Eastern Europe under pressure”; Vienna Institute for International Economic Studies (WIIW); (WIIW Autumn Forecast, October 2023) – in the following, the WIIW figures cited refer to this source

To boost future growth, drive innovation, and increase resilience, Siemens presented an investment strategy in June 2023 which includes €2 billion mainly for new manufacturing capacity as well as innovation labs, education centers, and other company sites. The investments in research and development are focused on strengthening Siemens' leading position in core technologies including simulation, digital twins, artificial intelligence, and power electronics, as well as supporting the development of the Siemens Xcelerator open digital business platform.

This open digital business platform was launched in June 2022 and has grown and developed continuously ever since. At its core is a curated portfolio of Internet of Things (IoT)-enabled hardware and software. Together with a powerful partner ecosystem and a marketplace, Siemens Xcelerator supports companies in their digital transformation.

Siemens has been a pioneer in sustainability for many years and continued to accelerate its commitments in this area in fiscal year 2023, defining new, more ambitious targets for its own decarbonization and announcing extensive investments. In its own climate protection efforts, Siemens has made good progress toward reaching net zero in its own operations by 2030 and in cutting its operational CO₂ emissions 46 percent compared to the 2019 baseline. The company aims to significantly accelerate the reduction of carbon emissions and, for this purpose, has set an intermediate goal of reducing physical CO₂ emissions in its own operations by 55 percent compared to 2019 levels by the end of fiscal 2025. Siemens is also increasing its target for physical CO₂ reduction from 50 percent to 90 percent by 2030, compared to 2019. To achieve this goal, Siemens is investing €650 million in its own decarbonization by 2030, especially through the power of its own technologies. By committing to the Science Based Targets initiative (SBTi), Siemens is supporting the goal of the Paris Climate Agreement and making a positive contribution to limiting climate change to 1.5 degrees Celsius.

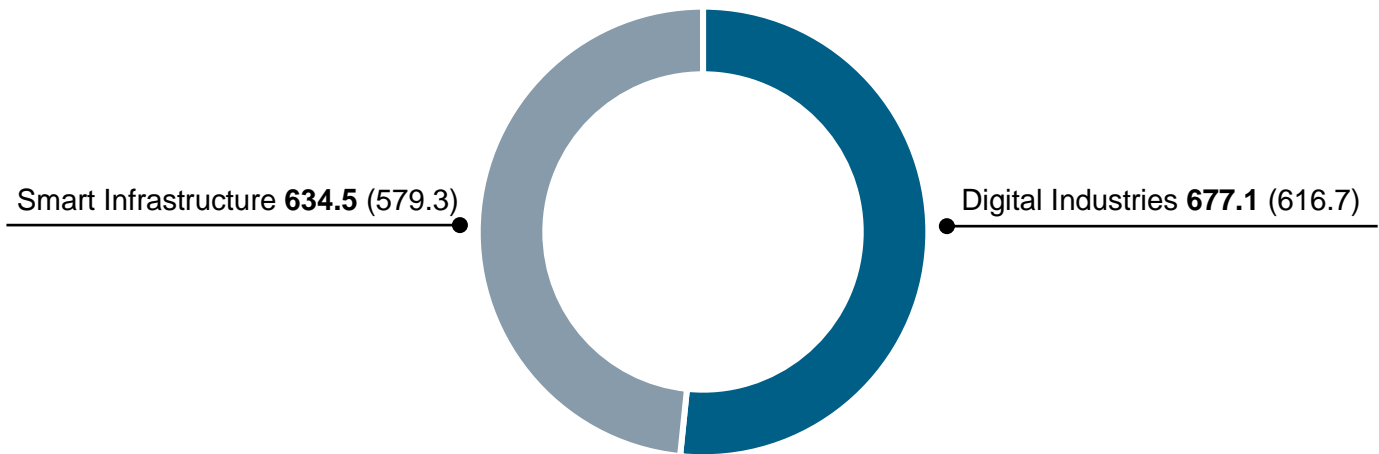
At the end of the fiscal year, Siemens Aktiengesellschaft Österreich joined the Global Compact Network Austria. The UN Global Compact is the world's largest initiative for corporate responsibility and sustainability, and its membership includes over 23,000 companies and organizations in 62 local networks worldwide. The network aims to promote the implementation of the ten universal principles of the Global Compact as well as the United Nations Sustainable Development Goals (SDGs). The core task of the Global Compact Network Austria is to facilitate the dialogue between businesses, civil society, the scientific community, and political decision-makers in the interest of more social and environmentally friendlier globalization.

In November 2022, Siemens AG decided to establish an integrated motors and large drives champion as a legally independent subsidiary. The company, which operates under the name Innomotics, combines the businesses of the former Large Drives Applications units and parts of Digital Industries. In Austria, the carve-out of the Innomotics business was concluded in fiscal year 2023. The portfolio includes low-voltage and high-voltage motors, medium-voltage converters, and geared motors.

One notable organizational development in fiscal year 2023 was the change in the position of chief executive officer. Wolfgang Hesoun left the Managing Board of Siemens Aktiengesellschaft Österreich after 13 years. Patricia Neumann was appointed as his successor in the Managing Board of Siemens Aktiengesellschaft Österreich by the Supervisory Board of Siemens Aktiengesellschaft Österreich. Ms. Neumann took over as CEO on May 1, 2023.

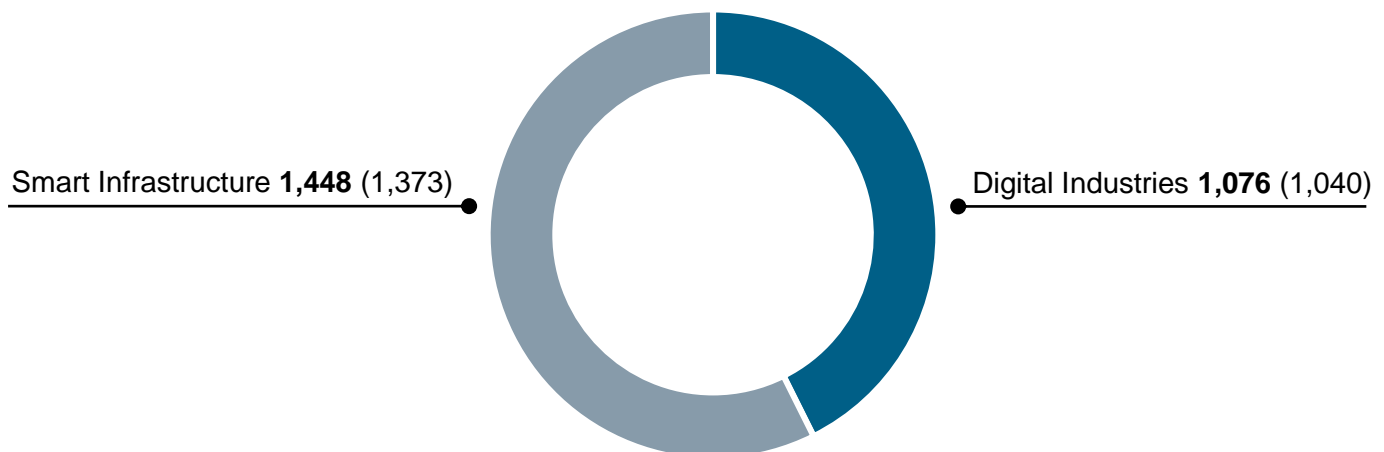
1.1.3. Businesses of Siemens Aktiengesellschaft Österreich

Revenue by business (in € millions)
(prior-year figures in parentheses*)



* Not included: Large Drives Applications activities (legally carved out as of 5/3/2022 with retroactive effect as of 10/1/2021) and others

Headcount by business
(this figure represents the number of employees regardless of their working hours – prior-year figures in parentheses**)



** Not included: Large Drives Applications activities (legally carved out as of 5/3/2022 with retroactive effect as of 10/1/2021) and others

Digital Industries (DI)

Digital Industries was able to maintain its leading market position in the process industry and discrete industries with the core segments of automation and digitalization in fiscal year 2023 despite the difficult market conditions. The markets of Digital Industries were faced with economic challenges such as the high energy prices, the economic downturn, and the rising interest costs. The high level of orders in fiscal year 2022, which was due in part to customer orders being pushed up in response to rising raw material prices and material shortages, also weakened Digital Industries' order situation in 2023 compared to the prior year.

Although the Factory Automation Business Unit saw a decline in business versus the prior year, which was marked by product preorders by customers, it was able to maintain its position on the market. A number of projects in the fields of automotive and high-bay storage facilities were successfully realized in the solutions business in and outside of Austria.

The low-voltage and geared motors portfolio of the Motion Control Business Unit was carved out and transferred to Innomatics GmbH, Vienna, in fiscal year 2023. Both Motion Control's existing portfolio and the automation portfolio saw a decline versus the prior year due to the high level of preorders.

Due to the stock orders, which can be attributed to raw material shortages and supply problems, business also declined for the Process Automation Business Unit in fiscal year 2023. Several projects were once again realized in the solutions business, primarily in the water and wastewater segments as well as in the pharmaceuticals industry.

In the service segment, the Customer Service Business Unit was able to maintain its growth path from the previous fiscal year. Emphasis was primarily placed on digitalization, security, and system availability.

Fortunately, Digital Industries Power Products (PP) successfully converted the orders on hand from the prior year into revenue. One positive factor was a decline in the pressure in terms of material availability. This gave PP the opportunity to optimize its stocks. Another positive development was the increase in production output, which illustrates the efficiency of PP's production and supply chain.

PP has seen a continuous decline in new orders since April of this year. This persistent trend called for a strategic review of business development and prompted PP to adjust the production capacities in Vienna and Sibiu.

The PSU4200 product line, which consists of six devices in performance classes from 70 to 500 W, was developed to market maturity in fiscal year 2023. The expansion of the portfolio with a 48 V/4 x 10 A device allowed a new market to be tapped in the selectivity module segment. The range of offerings was also extended with products for explosive environments and IP67 environments (dust and water protection).

Digital Industries PP continues to place particular emphasis on the automation and digitalization of the production lines. The fully automated production of a power supply was realized during the fiscal year, and further production lines of the so-called peer-to-peer plant were put into operation.

As announced in last year's report, the Vienna and Sibiu production sites were bundled, just like the Concord and Karlsruhe plants. Characterized by digitalization and automation, this cross-site collaboration allows strengths and expertise to be utilized even more effectively for the business success of the customers and resulted in higher production output.

Smart Infrastructure (SI)

As was expected, Smart Infrastructure's order intake declined due to the lack of major export orders in the industrial electrification segment, but remained well above the budgeted level thanks to solid growth in core business. By contrast, revenue saw much stronger growth than planned, as the pressure with regard to both own delivery times and those of suppliers eased, thus allowing many back orders to finally be fulfilled over the course of the year. The situation on the job market remains difficult when it comes to recruiting qualified specialists.

In the building technologies segment, the growth program was successfully continued for another year. The focus on orders in critical infrastructure segments such as pharmaceuticals, healthcare, transportation, and data centers was advantageous. Orders increased significantly in the segments of energy efficiency and sustainability in particular. In this segment, a compliance investigation in Bregenz in fiscal year 2023 uncovered circumstances that were then reported to the public prosecutor's office. The investigations are still ongoing.

Innovations continued to be pushed in the building automation portfolio. Tremendous progress is being made in the further development of digital services, and automated systems for performance and energy efficiency analysis and for the detection of anomalies provide valuable insights into the complex processes in buildings.

In a pilot project in cooperation with Bundesimmobiliengesellschaft (BIG), a new and innovative service was tested for a large ministerial building. On the basis of pure data analysis, significant improvement potential for energy efficiency is identified with low investment needs, and the implementation is monitored directly. In particular, the innovation lies in the transparency, the flexible operations monitoring, and the flexible use for additional buildings.

In the segment of switching and protection systems for energy distribution and industrial switchgears, the high level of orders on hand was reduced significantly through the normalization of supply capabilities.

The Vienna-based Fire Safety Application Center (FSAC) develops and produces innovative fire protection solutions for partners within the Siemens Group, including for the rapidly growing market segment of battery storage.

In the electromobility segment, the innovative charging solutions for electric vehicles contribute to the positive development of Smart Infrastructure.

In Austria, the market for power grid infrastructure continues to be shaped by the major efforts of grid operators to further expand the grid for the energy transition and the integration of distributed generation from renewable energy sources. Despite high inflation and elevated energy prices, there was no decline in demand from the industry and infrastructure sectors.

The conversion to the new generation of meters for Wiener Netze, which is the biggest smart meter project in the German-speaking region, has been under way since 2018, with Siemens serving as the lead partner and technology partner. As of mid-2023, roughly 1 million of the total 1.6 million smart meters had already been installed for households and commercial customers in the supply area of Wiener Netze.

The Grid Software segment presented the new product Low Voltage Insights X as part of the Siemens Xcelerator platform. It serves in the monitoring and planning of low-voltage networks during the integration of distributed renewable energy sources into the power grid.

1.2. Report on the branches

Siemens Aktiengesellschaft Österreich is headquartered in Vienna and had domestic branches in all of the other provincial capitals as of September 30, 2023. In addition, the company had branches related to individual projects in Bosnia and Herzegovina, Georgia, Montenegro, Romania, and Syria.

1.3. Financial and non-financial performance indicators

1.3.1. Financial position

New orders totaled €1.197 billion in fiscal year 2023 (2022: €1.661 billion), which represents a decline of 27.9 percent versus the previous year. This decrease affected all of the businesses, with Digital Industries experiencing the biggest contraction. Among other factors, the decline seen by Digital Industries resulted from the fact that customers pushed up orders in fiscal year 2022.

Order intake decreased by 43.9 percent for Digital Industries in fiscal year 2023, totaling €472.1 million. The delivery, installation, and commissioning of a fully automated battery assembly warehouse at the VW plant in Hannover, Germany, in the amount of €16.5 million and the delivery, installation, and commissioning of a fully automated warehouse for Schwarzkopf/Henkel in Wassertrüdingen, Germany, in the amount of €11.9 million were the most significant new orders in fiscal year 2023.

Smart Infrastructure recorded a decline in order intake of 7.3 percent to €625.4 million during the reporting period. Noteworthy new orders included a contract in connection with the smart meter rollout for the supply area of Wiener Netze in the amount of €21.0 million.

Revenue came to €1.411 billion in fiscal year 2023 (2022: €1.311 billion). Digital Industries saw the biggest increase here. The allocation of revenue to the individual businesses and the comparative figures are presented in the chart in section 1.1.3.

Revenue for Digital Industries increased by 9.8 percent in fiscal year 2023. The biggest individual revenue contribution came from the delivery of electrotechnical equipment for an automotive plant in Germany (€13.1 million).

Smart Infrastructure saw an increase in revenue of 9.5 percent in fiscal year 2023. The most notable individual settlement was a contract related to the delivery of switchgears, conductor rails, and transformers for seawater desalination plants in Saudi Arabia (€9.8 million).

Foreign revenue came to €0.471 billion in the reporting period (2022: €0.447 billion), and the most important foreign markets apart from Germany included Switzerland and France.

An operating result of €74.5 million was generated in fiscal year 2023 (2022: €72.7 million).

The return on sales remained nearly unchanged at 5.3 percent (2022: 5.5 percent).

Return on sales

<u>Operating result</u> Revenue		
	2023 €000	2022 €000
Operating result	74,536	72,675
Revenue	1,410,960	1,310,773
Return on sales	5.3%	5.5%

The financial result fell by €73.3 million compared with the prior year. Income from dividends decreased by €49.9 million versus the prior year, amounting to €44.9 million. Other interest income and similar income fell to €11.6 million (2022: €27.7 million). This decline can be attributed primarily to the change in the interest rate situation in the prior year and the resulting adjustment of the discount rate for personnel provisions. In addition, income from the disposal and write-up of financial assets dropped by €20.9 million. This change is primarily due to the sale of Siemens Gebäudemanagement & -Services G.m.b.H., Vienna, in the prior year.

On the other hand, expenses arising from financial assets fell by €13.1 million to €1.3 million. This can be attributed primarily to the write-off of the investment in Siemens Ukraine, Kiev, in the prior year.

The decline in earnings before taxes by €71.4 million is mainly due to the lower financial result. In combination with the slightly higher shareholders' equity after the dividend distribution, this results in a return on equity of 16.8 percent.

Return on equity

Earnings before taxes
Shareholders' equity (after dividend distribution)*

* At the start of the fiscal year

	2023 €000	2022 €000
Earnings before taxes	128,645	200,042
Shareholders' equity at the start of the fiscal year	927,973	950,553
- dividend distribution	-160,524	-184,416
= <i>shareholders' equity (after dividend distribution)</i>	767,449	766,137
Return on equity	16.8%	26.1%

The company's total assets at the end of the reporting period were €48.1 million higher than at the end of the previous fiscal year, at €1.523 billion.

On the assets side of the balance sheet, the change was due in large part to the increase in inventories by €31.0 million, the increase in receivables from affiliated companies in the amount of €22.1 million, and the reduction of other receivables by €11.2 million.

The shareholders' equity of Siemens Aktiengesellschaft Österreich totaled €0.879 billion for the reporting period (2022: €0.928 billion).

The material changes on the liabilities side of the balance sheet can be attributed to the decline in net profit by €49.7 million as well as the increase in advance payments received by €12.7 million and in accounts payable to affiliated companies by €86.4 million.

Following the adjustment of the total assets to reflect the advance payments received recognized under liabilities and government grants, the equity ratio for the 2023 fiscal year comes to 61.3 percent.

Equity ratio

<u>Shareholders' equity</u> Adjusted total capital*
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* Total assets adjusted for advance payments received recognized under liabilities and government grants

	9/30/2023 €000	9/30/2022 €000
Shareholders' equity	879,437	927,973
Total assets	1,523,434	1,475,359
- advance payments received recognized under liabilities	-89,275	-61,882
- government grants	-283	-60
= <i>adjusted total capital</i>	1,433,876	1,413,417
Equity ratio	61.3%	65.7%

Net short-term current assets increased by €29.5 million in fiscal year 2023. This was primarily due to the rise in inventories and the decline in other receivables. The increase in net short-term debt by €93.4 million can be attributed to the rise in the items Advance payments received and Accounts payable – affiliated companies. This results in negative working capital in the amount of €14.7 million.

Financing needs are covered by the available liquidity, the expected net cash from operations in fiscal year 2024, and, if needed, by the use of refinancing measures offered within Siemens Group.

Working capital (without income taxes or financial positions)

	9/30/2023	9/30/2022
	€000	€000
Current assets (including deferred items)	796,839	754,033
- long-term current assets	-10,548	-11,558
= <i>short-term current assets</i>	<i>786,291</i>	<i>742,475</i>
- short-term financial assets	-360,987	-346,537
- short-term income tax receivables	0	-101
= net short-term current assets	425,304	395,837
Debt (including deferred items)	643,714	547,326
- long-term debt	-137,592	-139,196
= <i>short-term debt</i>	<i>506,122</i>	<i>408,130</i>
- short-term financial liabilities	-802	-801
- short-term income tax provisions and liabilities	-65,311	-60,766
= net short-term debt	440,009	346,563
Working capital	-14,705	49,274

The long-term assets cover ratio declined to 142.2 percent in fiscal year 2023.

Long-term assets cover ratio

Equity and long-term debt Non-current assets

	9/30/2023	9/30/2022
	€000	€000
Shareholders' equity	879,437	927,973
+ long-term debt	137,592	139,196
= long-term capital	1,017,029	1,067,169
Fixed assets	704,878	696,923
+ long-term current assets	10,548	11,558
= non-current assets	715,426	708,481
Long-term assets cover ratio	142.2%	150.6%

The cash flow statement for fiscal year 2023 shows a positive cash flow of €14.3 million.

Cash flow from the results increased by €8.7 million compared with the previous year.

Cash flow from operating activities before taxes increased by €69.0 million to €92.6 million. This can be attributed to the rise in advance payments received and the decline in receivables. This positive effect is partially offset by an increase in inventories. Taking the payments for income tax into account, cash flow from operating activities came to €82.1 million.

Cash flow from investments was positive and amounted to €93.9 million in the reporting period. The decrease of €62.5 million over the previous year primarily resulted from lower income from disposals of financial assets and lower interest and dividend income.

Cash flow from financing largely stemmed from the dividend payment to Siemens Konzernbeteiligungen GmbH, Vienna.

Cash flow statement

	2023 €000	2022 €000
Cash flow from the results		
Earnings before taxes	128,645	200,042
Depreciation on fixed assets	18,627	29,665
Profit/loss from the disposal of fixed assets	-549	-26,751
Income from investments in affiliated and associated companies, income from securities classified as financial assets as well as other interest income and similar income/interest and similar expenses	-55,331	-120,782
Other	58	605
	91,450	82,779
Cash flow from operating activities before taxes		
Changes in inventories	-48,017	15,814
Changes in receivables	5,740	-38,342
Changes in advance payments received	36,936	-65,199
Changes in accounts payable	5,113	13,155
Changes in current provisions	639	7,979
Changes in non-current provisions	776	7,478
	92,637	23,664
Cash flow from operating activities		
Payments for income tax	-10,498	1,878
	82,139	25,542
Cash flow from investments		
Investments in intangible assets and property, plant, and equipment	-18,652	-14,271
Proceeds from the sale of intangible assets and property, plant, and equipment	632	6,235
Investments in financial assets	-1,244	-6
Purchase price from the purchase/sale of business units	2,067	-71
Proceeds from the sale of financial assets	57,638	66,769
Payments received from income from investments in affiliated and associated companies, interest income, and income from securities	53,487	97,748
	93,928	156,404

Cash flow statement (continued)		
	2023	2022
	€000	€000
Cash flow from financing		
Dividend distribution	-160,524	-184,416
Changes in financial liabilities	1	-1,199
Payments made for interest and similar expenses	-1,270	-1,791
	-161,793	-187,406
Changes in cash and cash equivalents	14,274	-5,460
Cash as of the balance sheet date		
Cash on hand, cash in banks	5,843	6,019
Credit from intragroup financial deposits	360,987	346,537
	366,830	352,556

1.3.2. Investments

Siemens Aktiengesellschaft Österreich invested €18.9 million in property, plant, and equipment during the fiscal year, 31.7 percent more than in the prior fiscal year.

1.3.3. Employees

During the reporting period, the human resources strategy was focused on increasing the number of “digi-jobs” (i.e. jobs that are related to digitalization). Over half of all hires were in the research and development and engineering segments, along with sales and distribution. In addition, activities for all employees with regard to the relevant digital skills were intensified – in part through the increased use of My Learning World (a fully integrated virtual learning platform within Siemens that is available 24/7) and in part through the expansion of the dual training and degree program offerings, in which students can complete a degree program at an Austrian university of applied sciences in the field of STEM (science, technology, engineering, and mathematics) or digitalization alongside their training.

Employees completed a total of 82,779 learning hours during the reporting period. Face-to-face training courses accounted for roughly a third (32.8 percent) of this, but the vast majority (67.2 percent) involved the utilization of the digital education and training offerings. On average, all employees of Siemens completed 28 learning hours during the reporting period. In addition, the external partnerships with schools and higher education institutions were intensified, with particular emphasis being placed on 90 such partnerships involving the cooperation with research institutions, the supervision of student research projects, and the delegation of employees for expert lectures and proofreading activities. All of these activities contributed to Siemens once again achieving top rankings in externally conducted workplace attractiveness surveys, including finishing in the highest places in the fields of engineering and IT business yet again.

As part of the profit-sharing programs, 42.8 percent of all employees took part in the Share Matching Plan on a global basis (employees receive an additional share of Siemens stock for every three they purchase in accordance with their investment after holding the shares for the required period). The participation level in Austria was 32 percent (2022: just under 32 percent). In addition, Siemens stock awards have long been a key component of the remuneration package for the members of the Managing Board and selected key employees in order to promote an ownership culture. The number of shares to be transferred has also been linked to a sustainability target that is measured based on the development of Siemens Aktiengesellschaft, Berlin and Munich, with regard to environmental, social, and governance (ESG) factors. In addition, the employees once again participated in Siemens' result for the 2022 fiscal year as a reward for their outstanding dedication. The success bonus that was distributed totaled €5.0 million in gross terms.

As touched on above, the trend towards selected face-to-face training courses continued in the field of training and education, but the majority of training and development courses are still being held virtually. The offering of digital learning content was once again continuously increased during the reporting period. The newly established SiTecSkills Academy Austria offers technical training for employees in order to increase their employability. As part of the specialist training offerings, a new training center was opened at the Linz site in September. In September 2023, 34 trainees started their specialist training programs in technical and commercial vocations.

A total of 107 employees were hired during the reporting period, and 48 resigned from the company voluntarily. The fluctuation rate was 1.6 percent (2022: 1.7 percent). As of September 30, 2023, Siemens Aktiengesellschaft Österreich had a total of 3,009 (2022: 2,885) employees (number of employees regardless of their working hours), plus 113 trainees and trainees completing a dual training and degree program (2022: 117).

Employees by function as of the balance sheet date

	9/30/2023	9/30/2022
Research and development	573	578
Manufacturing, installation, maintenance, and service	1,348	1,248
Sales	772	753
Headquarters, service, and administration	316	306
TOTAL Siemens Aktiengesellschaft Österreich (not including employees completing compulsory military service, employees on leave, and trainees)	3,009	2,885

1.3.4. Environmental protection

Operational environmental protection is important at every Siemens facility. All Siemens manufacturing plants in Austria are ISO 14001 certified and all sites are ISO 50001 certified.

Siemens Aktiengesellschaft Österreich used energy with a carbon dioxide load of 446 metric tons in the prior year. This declined by 138 tons to 308 metric tons during the reporting period.

Another aspect is the reduction of waste. In this context, the volume of waste for disposal of 4 metric tons in the previous year was reduced by 3.2 tons to 0.8 metric tons during the reporting period. The focus during the fiscal year was on reducing the quantity of hazardous waste, which was cut by 11 tons from 20 metric tons in the previous year to 9 metric tons in the fiscal year.

Siemens Aktiengesellschaft Österreich invested around €0.9 million in environmental protection measures during the fiscal year. This included regular expenses for air pollution control, water protection, waste management, nature conservation and landscaping, and boosting energy efficiency.

In the previous year, energy with a carbon dioxide load of 4,444 metric tons was used for the vehicle fleet of Siemens Aktiengesellschaft Österreich, which consists of passenger cars, trucks, and other utility vehicles. Compared with the previous year, the carbon dioxide load was reduced by 19 tons to 4,425 metric tons.

1.3.5. Quality management

The integrated management system (IMS) of Siemens Aktiengesellschaft Österreich encompasses international system management standards, including in the areas of quality management (ISO 9001), environmental management (ISO 14001), occupational health and safety management (ISO 45001), energy management (ISO 50001), information security management (ISO 27001), Trusted Information Security Assessment Exchange (TISAX), and Safety Certificate Contractors for Petrochemicals (SCCP).

Requirements regarding a systematic view of business continuity (oriented towards ISO 22301) are largely integrated into the local processes and procedures of Siemens Aktiengesellschaft Österreich. Individual Business Units that act as suppliers for critical infrastructure are certified according to ISO 22301. Comprehensive crisis and emergency management contribute to minimizing the potential damages in the event of unforeseen events that negatively impact business and to maintaining adequate business continuity in crisis situations.

The internal Siemens certification process for project managers (PMs) and commercial project managers (CPMs) was successfully standardized. A joint certification is offered in cooperation with the International Project Management Association (IPMA) Austria. An additional 45 PMs and CPMs under the responsibility of Siemens Aktiengesellschaft Österreich (including assigned countries) were successfully certified during the reporting period.

Another ten quality managers successfully completed the internal Siemens quality practitioner training program in fiscal year 2023.

2. Report on the expected development and risks of the company

2.1. Expected development of the company

Siemens Aktiengesellschaft Österreich aims to continue helping customers to accelerate their digital transformation and achieve their sustainability goals by connecting the real and digital worlds in the coming fiscal year. Key technologies in this context include digital twins, analytical artificial intelligence, intelligent automation, decarbonization, and digitalization.

Digital Industries will continue to pursue its strategy in fiscal year 2024 and will place particular emphasis on the topics of digitalization, cybersecurity, and sustainability in order to optimally prepare customers for the requirements of the markets with pioneering technologies and accompany them on this path. In addition, Digital Industries will provide tremendous support and promotion for Siemens Xcelerator in order to further advance the digital transformation. The geopolitical situation, the persistently high raw material and energy prices, and the high interest costs will once again have a lasting influence on business in the coming fiscal year.

In the Power Products segment, an expansion is planned at the site of the Romanian subsidiary in Sibiu in order to increase capacity. This is expected to be completed in the second quarter of fiscal year 2024. Further process optimizations will be achieved through the collaboration with other sites via lean expertise. In terms of product development, a new era in the SITOP power supply segment will be ushered in with the new PSU8400 product family.

Smart Infrastructure expects moderate growth in fiscal year 2024, supported in the power grid infrastructure segment by the further grid expansion for the integration and distribution of electricity from renewable energy sources and in the building technologies segment by the increasing demand for sustainable and energy-efficient solutions. The product units for building technologies and switching and protection systems for energy distribution and industrial switchgears expect stagnating to declining order intake following the normalization of delivery times. Significant growth is still expected in the segment of electromobility and the associated infrastructure.

2.2. Basic principles and material risks and uncertainties

2.2.1. Basic principles

The risk policy of Siemens Aktiengesellschaft Österreich reflects the desire to grow sustainably and to increase the value of the company while managing opportunities and reasonable risks and avoiding unreasonable risks. Risk management is an integral part of the planning and implementation of the company's business strategies, and the risk policy is determined by the Managing Board. In accordance with the organizational hierarchy and assignment of responsibilities at Siemens, the management of the given unit is required to implement a risk management system that is tailored to the specific business and its responsibilities, and that also meets the relevant overarching principles.

The risk management system of Siemens centers around a comprehensive, interactive, and management-oriented enterprise risk management (ERM) approach that is integrated into the company organization and addresses both risks and opportunities. The ERM approach is based on the internationally recognized Enterprise Risk Management – Integrating with Strategy and Performance (2017) standard developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as well as the International Organization for Standardization (ISO) standard ISO 31000 (2018) and is adapted to the requirements of Siemens.

The Siemens ERM process aims to identify, assess, and manage risks and opportunities that could significantly influence the attainment of the company's strategic, operational, financial, and compliance-related objectives at an early stage. The process generally takes a period of three years into account and is based on a net principle under which the risks and opportunities that remain after the implementation of existing control measures are addressed.

Opportunities and risks are evaluated and documented on a quarterly basis in order to identify developments that could put the continued existence of Siemens Aktiengesellschaft Österreich at risk as early as possible and take appropriate countermeasures.

The ability of Siemens Aktiengesellschaft Österreich to continuously develop new products and services in order to keep pace with technological change in its fields of business plays a significant role in the company's competitive strength. Thanks to the close interplay between comprehensive domain know-how and digital expertise, Siemens is optimally equipped to further expand its position in its markets.

2.2.2. General risks

The markets for the products, solutions, and services of Siemens Aktiengesellschaft Österreich are extremely competitive in terms of pricing, product and service quality, product development times and time to market, customer service and financing conditions, and disruptive technologies and shifts in market demand.

The results of the operating units depend on the reliable and effective management of the supply chains for components, assemblies, energy, critical parts (e.g. semiconductors), and materials. Capacity limitations and delivery bottlenecks caused by the ineffective management of the supply chain could lead to production shortages, delivery delays, quality problems, and additional costs. The company is also dependent upon third-party suppliers for the provision of preliminary products, components, and services. Although the company works closely with suppliers to prevent supply problems, it cannot be guaranteed that supply difficulties will not arise in the future, especially when only one supply source is relied upon for critical parts. Shortages or delays could impair the company's business activities significantly. Siemens Aktiengesellschaft Österreich has introduced various quality improvement and damage prevention measures. The consistent use of quality management tools improves transparency, facilitates thorough cause analysis, and also has a preventative effect.

The business activity of Siemens Aktiengesellschaft Österreich is dependent upon digital technologies. The global increase in threats to cybersecurity and the higher level of professionalism in computer-related crime are giving rise to risks pertaining to the security of the company's products, systems, and networks and with regard to the confidentiality, availability, and integrity of data. Particularly the number of phishing attacks and harmful websites has increased dramatically. Siemens Aktiengesellschaft Österreich could lose market access if its products, solutions, and services do not meet the more stringent regulations and stricter legal requirements pertaining to cybersecurity. We strive to minimize these risks using a variety of measures, including employee training taking new models for flexible work environments into account as well as the extensive monitoring of networks and information systems using cyber defense with an AI solution that aids in identifying attacks more quickly in order to prevent damages to the company, and particularly to critical infrastructure, our customers, our partners, and Siemens as a whole.

The increasing requirements of governments, investors, and customers with regard to ESG (environmental, social, and governance) and financing restrictions for greenhouse gas-intensive technologies could lead to additional costs. The growing regulatory requirements as well as the commitment to the company's own sustainability and climate protection goals harbor additional liability risks. In addition, business commitments in fields that are at the center of social discussions on sustainability may be perceived negatively and result in unfavorable media attention. This could damage our reputation and affect the ability to achieve our business objectives. One of the ways in which Siemens addresses these risks is through its DEGREE sustainability program, under which ambitious sustainability goals have been defined.

The competition for highly qualified personnel and talent in the field of digitalization remains intense in the relevant sectors and regions in which Siemens does business. Our company has a constant need for highly qualified employees and also believes in the necessity to promote diversity, inclusion, and a sense of belonging among its workforce. The company's future success will depend in part on its ability to identify, hire, integrate, and develop experts and talented specialists in the field of digitalization and other specialized personnel in good time and foster their loyalty to the company. Siemens addresses these challenges, for example, by strengthening its expertise in the area of recruitment in order to proactively identify employees who have the necessary skills for the relevant businesses and markets. Technology and digitalization help to more effectively recruit and select talented individuals – also with regard to the diversity of the workforce. In addition, emphasis is placed on structured succession planning.

At this time, no risks have been identified that could jeopardize the continued existence of the company either individually or in combination.

2.2.3. Financial and hedging instruments

Where appropriate, the company employs derivative financial instruments on the basis of the currency policy to protect against risks, primarily those arising from exchange rate fluctuations. All material currency risks are covered in accordance with the group currency policy.

To mitigate customer default risk, Siemens Aktiengesellschaft Österreich rates the creditworthiness of all of its customers, actively manages its receivables, and agrees advance payments for construction contracts. In addition to its hedging instruments, the company also selectively makes use of facilities offered by Österreichische Kontrollbank as well as letters of credit and bank guarantees for export transactions.

We encounter the risk of price changes primarily in the construction business. This applies especially to the prices of materials and components that we must purchase and that are determined by the prices of the necessary raw materials on the global market. This risk is predominantly managed by attempting to pass the conditions in our contracts with our customers on to our suppliers, and by concluding supply agreements with fixed prices for the required period (in part including advance payments).

Siemens Aktiengesellschaft Österreich's liquidity risk is currently assessed as being extremely low because of the company's existing liquidity and its involvement in the worldwide Siemens Group's cash-pooling system.

2.2.4. Risks and uncertainties of the businesses

The supply situation for Digital Industries has improved considerably in the majority of segments. Rising capital costs and persistently high energy and raw material prices – due in part to geopolitical developments and complex supply chains – are having negative effects on growth in some industries. The difficult market conditions are being counteracted by targeted market monitoring efforts, close customer contact, strict cash management, and a focus on future-oriented sales topics, for example in the fields of digitalization, sustainability, and cybersecurity. Siemens was able to optimally manage the persistently high orders on hand through capacity adjustments and targeted global supply and component management, while also improving delivery reliability and mitigating negative effects and risks.

Particularly promising opportunities continue to be seen in the very positive development of the automotive industry. The intensive promotion of innovative digital industry solutions and the launch of Siemens Xcelerator with the goal of further driving the utilization of vertical market requirements are showing initial success. These measures help to secure the unit's market position and represent further growth opportunities.

Smart Infrastructure has a diverse range of customers and is active in various markets that also harbor different risks.

The market for energy technology products and services is largely determined by Austria's energy strategy. The environmental and climate goals call for 100 percent of the country's electricity consumption (national balance) to be covered by renewable energy sources by 2030. The additional photovoltaic systems, wind farms, and small-scale hydropower plants needed for this purpose require higher investments in the expansion of the grid. At the same time, the ever-growing share of highly fluctuating energy generation based on the weather and the time of day requires intelligent and reliable grids and an expansion of storage solutions. The current geopolitical situation is leading to a noticeable acceleration of this trend, as energy independence from Russia is a stated goal. With its innovative portfolio, Smart Infrastructure is prepared for the additional requirements of the market.

The increasing need for energy savings in buildings continues to offer opportunities for the building technologies portfolio. Digital services are helping customers to make their buildings more efficient and to operate them more efficiently. The solutions and services of Siemens' corporate acquisitions Comfy and Enlightened are being used in combination with proven building management systems in this context.

The processes in the supply chains for the short-cycle product segments normalized almost entirely in the course of the fiscal year. Supply shortages and delivery delays that affect customers now only rarely occur.

The weakening of business activity for customers in industry is expected to result in a decline in demand for electrical products.

The trend towards e-mobility continues unabated, which will necessitate a rapid expansion of the charging infrastructure for cars, but also for buses and trucks. Therefore, demand for Smart Infrastructure's SICHARGE portfolio is expected to continue rising.

3. Report on research and development (R&D)

3.1. Intellectual property rights

Employees of Siemens Aktiengesellschaft Österreich submitted 85 inventions within the company in fiscal year 2023. A total of 61 patent applications that are valid in Austria were filed at the European Patent Office for these inventions and other Austrian inventions from previous years during the period. Siemens Aktiengesellschaft Österreich's entire portfolio of intellectual property rights that were granted in or are valid for Austria encompasses 77 patents.

3.2. Research and development (R&D)

Some 570 researchers worked at Siemens Aktiengesellschaft Österreich in fiscal year 2023, including roughly 140 experts distributed among seven research groups in the central research and development unit Technology (T). Their shared goal is to investigate new technologies and harness them for future industrial applications in innovative products and solutions. These activities are in part conducted by way of co-creation with partners in innovation ecosystems or in the course of publicly funded projects.

For example, one new research project being funded by the Austrian Research Promotion Agency and headed up by the Vienna University of Economics and Business is called SENSE (Semantics-based Explanation of Cyber-physical Systems). Roughly 70 percent of greenhouse gas emissions are caused by critical infrastructure such as transportation systems, intelligent buildings, factories, and power grids. The modernization of this infrastructure and the associated efficiency improvements are important steps towards increasing sustainability. Thanks to progress in digitalization, critical infrastructure relies on so-called cyber-physical systems (CPS) that connect physical and digital systems with one another. Because these systems are becoming more and more complex and dynamic, their transparency with regard to the background for certain system events is declining. This makes it difficult for the operators of systems to operate them securely and efficiently and also makes them less user-friendly. The SENSE project is focused on the creation of explainable cyber-physical systems in which system events can be explained to various users and involved parties. The project's hypothesis is that the explainability of system events within the CPS will improve their transparency, contribute to greater efficiency and user-friendliness, and allow greenhouse gas emissions to be reduced by 15 percent.

Aspern Smart City Research GmbH & Co KG (ASCR)

ASCR is currently the only cooperation model of this scope. Over 100 people from different scientific disciplines are directly involved in this research project. In the second research phase, the developed and optimized prototype building and grid systems are being refined into economically viable and practical systems for residents, grid operators, building operators, and energy providers. The goal is to enable buildings to communicate with their occupants, the smart grid, weather services, and, if applicable, market participants such as energy service providers and trading platforms. The smart refueling of electric and hybrid cars is another of ASCR's research topics. In the course of this project, Siemens has invested over €20 million in research for the urban energy future through 2023.

Within the application domains of “intelligent power grids” and “optimal energy use in intelligent buildings,” the latest technological trends such as harmoniously coordinated cloud and edge computing, the Industrial Internet of Things (IIoT), cybersecurity, open source, Long Range Wide Area Network (LoRaWAN), artificial intelligence (AI), data analytics, machine learning, and other innovations are now being put to productive use as close as possible to and in cooperation with the affected users. Research approaches are tested in a one-of-a-kind test bed and evaluated based on real data, thus allowing optimal solutions for the future to be developed in accordance with the principles of environmental friendliness, efficiency, and cost-effectiveness. Solutions that can then be adapted all over the world based on the individual requirements of the users and operators.

Vienna, November 30, 2023

The Managing Board

Patricia Neumann m.p.
Chief Executive Officer

Wolfgang Wrumnig m.p.
Chief Financial Officer

TRANSLATION

AUDITOR'S REPORT

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

Siemens Aktiengesellschaft Österreich, Vienna.

These financial statements comprise the balance sheet as of September 30, 2023, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of September 30, 2023 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

TRANSLATION**Responsibilities of Management and of the Audit Committee for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

TRANSLATION

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

TRANSLATION

Comments on the Management Report

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the valid legal requirements and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Vienna, November 30, 2023

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Severin Eisl mp
Wirtschaftsprüfer / Certified Public Accountant

ppa Dipl.-Ing. (FH) Mag. Manfred Siebert mp
Wirtschaftsprüfer / Certified Public Accountant