SIEMENS PLC

Annual report and financial statements

Registered number 727817

September 30, 2024

## COMPANY INFORMATION

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| **CONTENTS** | **PAGE** |
|---|---|

The directors of Siemens plc ("the Company") present the annual report containing a strategic report, directors' report and the financial statements for the year ended September 30, 2024.

## STRATEGIC REPORT

### Principal activities

Siemens plc is a technology company engaged in the manufacture, installation and sale of products in the area of industrial and building automation and drive technology. The Company also owns and leases property which is rented mainly to other group companies and affiliates through a workplace management arrangement providing fully serviced and managed office equipment. The Company also provides IT and other business infrastructure services to other Siemens group companies in the UK.

There are two key business divisions: Smart Infrastructure and Digital Industries.

Smart Infrastructure offers products, systems, solutions, services and software to support the global transition from fossil to renewable energy sources, and the associated transition to smarter, more sustainable buildings and communities. Smart Infrastructure's versatile portfolio consists of buildings, electrification, and electrical products.

Digital Industries offers a comprehensive product portfolio and system solutions for automation used in discrete and process industries; these offerings include automation systems and software for factories, numerical control systems, servo motors, drives and inverters and integrated automation systems for machine tools and production machines.

### General business review

The Directors work closely with management to anticipate risks from economic or global factors and plan accordingly. The UK political and economic situation has stabilised in the past 12 months, but we remain watchful of wider global trends in trade and security, which may come to the fore in 2025.

On October 1, 2023 the Company disposed of its Digital Industries Low Voltage Motors, Geared Motors and Weiss Spindeltecnologie business to Innomotics Motors and Large Drives Limited, another Siemens Group company. For further details see note 3.

### Review of Statement of Income

Year on year revenue decreased by 18% (£116m). This was mainly due to a reduction in revenue in the Digital Industries business of 31%, as the previously reported high order backlog normalised post-pandemic (see note 4 for further details). This is described further in the New orders received section on page 2.

Cost of sales also decreased in line with revenue by £102m (18%) leading to an overall gross profit of £76m (2023: £90m).

The Company's operating profit decreased to £9m (2023: £33m). This is mainly due to the reduction in gross profit, an increase in administrative expenses and a loss on disposal of Property, Plant and Equipment (see note 6 for further details).

Net interest income decreased to £7m (2023: £14m) mainly due to lower interest rates on pension plans.

Gains on disposal of £5m (2023: £36m) in the year mainly relates to the profit on disposal of the Low Voltage Motors, Geared Motors and Weiss Spindeltecnologie business. Net income for the year was £24m (2023: £83m).

### Review of Statement of Financial Position

Total assets increased by £117m (13%), largely due to pension plan re-measurements (see note 24, for further details).

Total liabilities increased overall by £11m (2%) in the year primarily due to higher deferred tax liabilities on the pension plan (see note 10 for further details) and an increase in short and long term finance leases (see note 23).

Equity has increased by £105m mainly due to pension plan re-measurements, and the net income for the year.

### Review of Statement of Cash Flows

Cash flows from operating activities show an inflow of £12m in the current year compared to an inflow of £56m in the prior year. This is due to changes in working capital due to a reduction in trade payables held at year end, as well as higher gains on sales of investments / operations in the prior year.

Cash flows from investing activities have resulted in an outflow of £5m compared to £41m inflow in the prior year. The prior year inflow was higher due to the disposal of the Portfolio Large Drives business.

Cash flows from financing activities show an outflow of £17m compared to an outflow of £98m in the prior year. This outflow is mainly due to changes in intercompany cash (intercompany receivable) held during the year.

### Analysis of Financial Key Performance Indicators

Siemens plc measures its performance on a number of key performance indicators, including revenue, profit from operations and net cash from operations as discussed above. In addition, new orders received are considered to be a key performance indicator.

### New orders received

New orders received in the year were £548m (2023: £628m), a decrease of £80m (13%) compared to the prior year. The reduction in new orders compared to the prior year was due to distribution partners in the Digital Industries business segment becoming overstocked as supply chain disruptions eased and lead times were significantly reduced.

### Principal risks and uncertainties

The Company has implemented a co-ordinated set of risk management and control systems, including strategic planning, assessing Environmental, Social and Governance (ESG) risk in our downstream value chain, and management reporting, to help anticipate, measure, monitor and manage its exposure to risk. During this fiscal year, the main risks relevant to the Company included:

- *Product & Solution Software Security risk*: The risk that a cyber security attack on products, solutions and services delivered by Siemens (including - promotions or collaborations with third parties) would result in a loss of data, loss of integrity, or denial of services (e.g. from a safety perspective) for the customer which would trigger regulatory investigations, potentially with reputational consequences for Siemens (e.g. where PSS processes were not applied and documented). The risk principally impacts the SI businesses.

- *Cyber and Supply Chain Data Security risk*: There is a risk that key suppliers and business partners who hold Siemens business critical, sensitive or confidential information (e.g. product data, employee data etc.) may not have appropriate cyber security standards and controls in place and consequently may be vulnerable to cyber security attack. This could result in Siemens data being made publicly available with financial, business, and regulatory implications for Siemens and Siemens business partners.

- *Reduced Economic Growth risk*: There is a risk that short and medium-term economic growth in the UK could reduce below expectations driven by global economic shocks e.g. the crisis in Ukraine, rising energy and commodity prices (and availability) together with post-pandemic supply constraints. This not only affects business confidence and investment plans but may also have a negative impact on the ability of the UK government to grow the economy which could have a negative impact on the sales and the profitability of Siemens businesses in the UK.

**Statement related to Section 172 of Companies Act 2006 (known as Section 172 statement)**

The Directors of the Company must act in accordance with a set of general duties. These include a duty under s.172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

1) the likely consequences of any decision in the long term;
2) the interests of the Company's employees;
3) the need to foster the Company's business relationships with suppliers, customers and others;
4) the impact of the Company's operations on the community and the environment;
5) the desirability of the Company maintaining a reputation for high standards of business conduct; and
6) the need to act fairly as between members of the Company.

Understanding the perspectives of the Company's stakeholders and building good relationships enables their views to be taken into account in Senior Leadership Team ("SLT") discussions, discussions among the board of directors of the Company ("Board") and decision-making. All Board members are members of the SLT which is designated as a committee of the Board to support the Chief Executive Officer in the performance of his duties. The SLT plays an important business-focused and commercial role in the UK operations with representatives from each of the main businesses as well as leaders from corporate and governance functions including People & Organisation and EHS. An explanation of how the Board of Siemens plc operates is detailed in the Corporate Governance Statement. Given the size and nature of Siemens plc stakeholder engagement often takes place at both an operational and senior management level as well as by the Board. Further information and examples of how the Company engages with its key stakeholders is provided below.

**Employees**

*Striving to be an employer of choice, Siemens places value on creating a culture of learning, promoting diversity and fostering equality.*

<u>Engagement</u>

As a member of the Siemens Aktiengesellschaft (Siemens AG) group of companies (the "Group"), Siemens plc succeeds through its people. Fostering the health and performance of the Company's employees as well as safeguarding their working conditions are core to the Group's social and business commitment.

Our people, including apprentices and graduates, are supported in growing and developing in their roles by the availability of comprehensive training programmes to equip them for both current and future roles. In addition to technical training we have an 'always on' learning philosophy where our people self serve using our online integrated platform and 'My Learning World' accessing the most relevant digital learning from a range of learning sources. This is embedded with learning targets to ensure the ongoing resilience and relevance of our people. Over the last 12 months, we have focussed on the strategic learning priority of Digital Skills for Life, introducing a digital dexterity index assessment and Learning Jams to support the development of digital confidence.

The views of our employees are critical in helping us continually improve ourselves as an organisation, and regular employee engagement surveys enable us to both further understand our employees' perspective and generate ideas which can benefit everyone.

Employees can also make their views known through employee representative bodies, whether at a local site level or business wide. These bodies provide a mechanism for ongoing dialogue between Company management and the employees' representatives on all aspects of the Company's operation. Furthermore, a confidential whistle-blowing hotline called 'Tell

<u>Key topics, decisions and outcomes influenced by this stakeholder group</u>

The Company commits to supporting the wellbeing of all. It works closely with its Occupational Health and Employee Assistance Programme suppliers, together with external partners to ensure that our people feel equipped to cope with the stresses and strains of life. Across the Company, employees have access to services and resources to support their mental and physical wellbeing, such as counselling, workplace assessments, physiotherapy helpline, wellbeing training courses, menopause & neurodiversity awareness and nutrition & physical activity advice. These resources, together with Mental Health First Aiders and Wellbeing Champions, are part of a strategic approach to employee wellbeing, which aims to equip our managers and employees to care for their mental and physical health.

We have made good progress in embedding a culture of growth mindset with a 10% increase in our overall learning hours per employee, a 15% increase in the uptake of on-line (digital) learning and a 40% increase in the average number of learning hours per employee on digital tools. In addition, we are proud to have achieved Gold status for the fourth year running with the 5% club which promotes businesses to invest in 'earn and learn' schemes i.e apprenticeships. 70% of our leaders also achieved their accreditation in our Global L.E.A.P (Learn, Empower, Accelerate, Practice) programme.

Siemens has always been committed to flexibility in the workplace and has brought together a number of initiatives, in line with Siemens AG, to promote empowerment and support the concept of hybrid working (a combination of in-office work and remote working) 2/3 days per week where practical and feasible to do so. This approach has been further supported by the introduction of a Hybrid Working policy giving guidance to our people and leaders on how (as part of our suite of Flexible

Us' enables employees to raise concerns about any aspect of Company practices or behaviour.

The Board has an appointed Diversity, Equity and Inclusion Lead to support the achievement of the company goal of 'Belonging Transforms' where everyone feels a sense of belonging. This has been building on the work of FY23 on inclusive culture, LGBT inclusion, racial and gender equality and equal opportunities for people with disabilities. Our employee network groups continue to thrive and have extended to include others such as Working Families, Lean-In, Neurodiversity and Carers. As part of our DE&I Strategy, we have continued to work on a number of initiatives shared below.

The Board is responsible for overseeing the Company's progress in closing the gender pay gap and publishes each year a Gender Pay Gap report. An evidence based action plan has been implemented in response to the Gender Pay Gap outcomes. Our 2024 Gender Pay Gap Report showed our gender pay gap was 22.4% and hence unchanged from 2023 as recent initiatives will need time to show impact. Since FY23, the Company has participated in the Siemens AG Gender Equity Program and developed its own actions to enable it to achieve the commitments around equitable promotion and also recruitment of more women into technical roles.

The Company continues to work with the Race at Work Charter, an initiative, developed in partnership with Business in the Community (BiTC) and the UK Government, designed to improve outcomes for Black, Asian and Minority Ethnic employees in the UK. The Race at Work Charter embodies the same common values Siemens plc shares on diversity, inclusion and respect for all its people.

Working Policies) to get the right balance of the needs of the customer, the individual and the organisation.

In addition, the Company has signed up to the Change the Race Ratio which focusses specifically on achieving ethnic and racial diversity in leadership teams and on the Board. As part of this commitment, Siemens has introduced reverse mentoring between Black, Asian and Minority Ethnic colleagues and leaders, as well as an accelerator development programme for talented employees with potential from racial minority backgrounds. We are working on publishing an Ethnicity Pay Gap report within the next year.

The Company has been working on a programme of activities to enhance its status as a Disability Confident Employer. This programme focusses on providing equal opportunities for disabled talent and ensuring our existing employees have all the necessary adjustments in place to support their work. Additionally, it aims to ensure that Siemens plc benefits from the talents which disabled employees bring.

In FY24, we held our first GB&I DEI Forum with members of our SLT and our employee network groups. The focus being on the importance of intersectionality which later resulted in our first Intersectional event on International Women's Day with a collaboration between 3 of our network groups. In addition we held the Siemens Global Belonging Day which is an employee event held twice a year, designed to educate, engage, and inspire us all to become better role models, allies and ambassadors for DEI.

The Company has also recently committed externally to becoming a Menopause Friendly organisation to best support people that are impacted, direct or indirectly by the menopause.

As part of World Day for Safety and Health at Work employees joined a Be Well and Work Well session which highlighted the dual importance of prioritising health and wellbeing while also fostering safe working conditions in and out of work.
The Siemens Transform 2024 event was a unique opportunity to be immersed in the technology we create to transform the everyday, to learn about the future of the Company, and to build our understanding of our business. Over 1000 employees attended the Employee Day including 300 friends and family.

**Customers, Suppliers and Business Partners**

*Business relationships with the Company's customers, suppliers, and other business partners are fundamental to Siemens plc.*

Engagement

Customers are always at the centre of our thinking with regard to technology, innovation and how to best consult and support them. Our main goal is to establish ourselves as the partner of choice for our customers by fostering close and trusted partnerships.

Siemens plc has continued to keep its customers and suppliers informed of its ongoing supply chain resilience planning which has been overseen by the SLT to ensure business continuity. Actions have included resource planning, reviewing, and where necessary, adjusting our systems and processes and working with our supply chain in order to minimise disruption to our operations.

Siemens plc has a zero tolerance approach to forced labour,

Key topics, decisions and outcomes influenced by this stakeholder group

Siemens continues to collaborate and promote best practice with external organisations. Utilities and engineering bosses as well as Metro Mayors were among leaders to lend Siemens their voice on digital transformation for a new report published by Siemens, The Digital Transformation Imperative. The report explores how businesses can overcome major challenges with the help of digitalisation and found that more collaboration is needed across sectors like utilities, engineering and manufacturing as firms look to their peers to understand how they can meet ambitions like net-zero with the help of digital tools.

We continue our DEI approach within our Supply Chain by strengthening our advocacy partnerships with MSDUK and WEConnect International. We have obtained accreditation to slavery and human trafficking in any form in any part of our business or supply chain. We support all our suppliers through our "Sustainability in the Supply Chain" and "Code of Conduct for Siemens Suppliers and Third-Party Intermediaries" brochures and the basis of all our supplier relationships is the commitment of our suppliers to observe the principles of the code. Our efforts in this area are detailed in our Modern Slavery Statement, which can be accessed here: www.siemens.com/modern-slavery.

The Company is part of the Buy Social Corporate Challenge, an initiative aimed at embedding positive social and environmental impact into everyday business spend. The UK Government-backed Challenge sees a group of businesses committed to collectively spend £1 billion by 2026 with social enterprise suppliers. As of 2024 the 30 corporate partners have achieved a cumulative spend of £477 million. As part of the Company's commitment to the Challenge it has now included over 60 Social Enterprises into its supply chain, these range from recycled wood, hotels in London, coffee with Change Please and office supplies through WildHearts. Following our virtual SCM Supplier Sustainability event in July we have >120 commitments from Key Suppliers to explore social initiatives such as the use of Social Enterprises, use of diverse Suppliers, accreditation to Real Living Wage and Prompt Payment Code.

the Prompt Payment Code and are actively influencing our Supply Chain to adopt the Real Living Wage.

In July 2024 Siemens hosted Transform 2024, a three day technology exhibition and conference in Manchester where over 4,000 visitors had the opportunity to hear from and collaborate with experts, experience transformative technology and work with a vibrant community to solve real-world challenges.

In March 2023 the Company launched the Siemens EcoTech label which is an environmental declaration and self-certificate based on product specific evaluations of sustainability relevant KPIs. This company-wide label is paving the way for a more sustainable future by allowing our customers to make informed decisions on our products based on their environmental footprint. From understanding manufacturing processes to what materials are being used, how energy efficient they are, and how they find their way back into the material cycle, we're setting a new industry standard for clarity and transparency.

**Communities and Environment**

*The Siemens AG group of companies serve society wherever they operate and as a globally active Group with innovative and investment capabilities Siemens plc shares responsibility for sustainable development worldwide.*

Engagement

Siemens plc supports charitable endeavours of its employees and customers.

At Siemens plc we recognise the importance of helping the most vulnerable communities. In addition to backing DEC appeals, we encourage our employees to give to charity though the Give As you Earn program with all associated fees covered by the Company.

In pursuit of its educational goals to help enrich and enhance teaching and learning and to nurture engineering talent for the future the Company offers on its website curriculum lesson plans, interactive games, insights into STEM careers and information about the STEM experience opportunities it supports. These educational resources continue to be well utilised with over 25,000 downloads in FY24 and over 115,991 users of the interactive games.

Siemens plc is also focused on supporting "greening the curriculum" by bringing its knowledge and understanding of the climate crisis and Net Zero Transition to its work with schools and teachers through sustainability themed interactive games, support for competitions such as The Big Bang Competition looking for Technology with Purpose and Wildhearts' Micro- Tyco project. Siemens plc has focused on reaching disadvantaged young people and creating programmes that are accessible by all so they can participate in the transition to a decarbonized economy. The Company and the wider Group has a number of national partnerships with organisations such as First Lego League, The School Outreach Company and Data Centres for Bees in Ireland, as well as developing carbon specific materials to share via the Siemens Education Portal.

Key topics, decisions and outcomes influenced by this stakeholder group

Every employee is offered two paid volunteering days every year to participate in community initiatives. Moreover, every Early Career Professional is offered up to 5 working days volunteering with two days reserved for working with future talent. In FY24 we volunteered over 11,000 hours as a collective.

Partnering with Springpod, Siemens plc offers a virtual Work Experience Platform which empowers young people between the ages of 14 and 18 to explore the Company and the wider Group as a business, our work, our technology as well as learn more about careers in Engineering, Technology and other business functions. Over 13,000 students have taken part in the last three years.

The Company support The First Lego League Challenger level, supporting digital skills in schools that are not involved in competition. By supporting with technology, training for teachers and mentoring support, the initiative has supported 9 schools across GB&I, over 300 students and provided equipment that can be re-used annually and entered into school level, national and international competitions.

Our Early Career Team made their pitches for their sustainability ideas after an 8-week entrepreneurial challenge in collaboration with WildHearts Talent. The programme gave the teams the opportunity to practice the Micro-Tyco Methodology, an award-winning methodology for entrepreneurial thinking. Using this, they have developed innovative ideas that address key issues in line with the Group's sustainability strategy and the UN Sustainable Development Goals. The winning pitch is a methodology of tracking SMEs in our supply chain to understand their needs towards sustainability reporting, This is

The Company holds memberships with various sustainability member bodies including ICER, IEMA and the Aldersgate Group and regularly participates in forums to promote the business case for sustainability initiatives. Siemens plc is committed to the Science Based Targets Initiative to reach Net Zero in line with the 1.5-degree pathway. The Group has also signed up to EP100, EV100 and RE100 commitments by the Climate Group on a global level which will also be implemented in the UK. The Company publishes its annual carbon report on its website for customers and suppliers to access.

being considered for further development in line with international tools.

In January 2024 our CEO, Mr Carl Ennis, hosted a guest lecture on how AI is influencing the future of engineering at Newcastle University, where he is a Professor of Practice. He emphasised the transformative role of AI in engineering, solving global challenges, enhancing sustainability, and fostering innovation, urging engineers to adapt, collaborate, and embrace AI tools for real-world impact.

The Company hosted Greater Manchester schools for COP28 to inspire the next generation of sustainability leaders. The event at Siemens' Manchester HQ formed part of WildHeart's Global Youth Summit - the world's largest youth-led sustainability event. In partnership with Siemens plc, leading businesses from across the UK delivered workshops that would encourage pupils to consider the impact that they can have in promoting sustainability. Participants also got the opportunity to meet a range of the Company's employees - including the CEO of GB&I Carl Ennis - to discuss the vast number of Sustainability careers available in the UK.

For FY2024 Mr James Murnieks, our UK CFO, was part of the Climate Action Leadership team within BiTC supporting the movement to create positive environmental change within UK communities. Regionally the Company is also represented to support the North West Leadership Board. (See NFSI statement for more information.)

**Government, Regulators and Trade Associations**

*Continuous dialog with policy-makers is extremely important for the success of a global company like Siemens plc.*

<u>Engagement</u>

The Company is politically neutral, but we operate in markets which are shaped by UK Government policy, either directly or indirectly. We are also providers of solutions to some of the most pressing issues facing the planet, such as digitisation, climate change and urbanisation. As a result, we are regularly consulted on economic and policy issues by governments, business associations and civil society.

Our external engagement is governed by our Company commitment to responsible and sustainable business.

<u>Key topics, decisions and outcomes influenced by this stakeholder group</u>

The Company engages in discussions on public policy issues, where they relate to our business strategy or wider industry issues. The Company also regularly participates directly in Government advisory groups. For example, Mr Carl Ennis, our CEO, is a member of the Net Zero Council which is a partnership between government, business and finance providing cross-cutting strategy across major business sectors to support industry to help cut its carbon emissions. In addition, the MD of Siemens Digital Industries UK and SLT member, Mr Brian Holliday, is currently co-chair of the Made Smarter Commission, which is tasked with shaping the future of Made Smarter, the national digitalisation movement to drive productivity, growth and sustainability in manufacturing.

The Company has regular interactions with other relevant parts of Government. These discussions cover topical issues, such as the UK economy and business environment, and longer-term policy areas like infrastructure investment, innovation funding and skills. We also engage with the Devolved Administrations, MPs and the Opposition Parties. In doing so, we are committed to adhering to all relevant lobbying and transparency regulations.

The Company is a member of many business and sector bodies, often participating in their policy committees, for example, responding to economic and policy surveys, and attending hosted events with policymakers. We are long-term members of Make UK and, in 2024, joined TechUK reflecting our increased focus on digital and technology topics.

**Siemens AG Group Companies**

*The Group is setting the course for long-term value creation through accelerated growth and stronger profitability with a simplified and leaner company structure.*

| Engagement | Key topics, decisions and outcomes influenced by this stakeholder group |
|---|---|
| The strategic decisions of the Group guide the decisions taken by the Board and SLT which, in turn, adapts the Group's strategy for the UK market, and in line with the duties set out within the Companies Act 2006, taking into account UK customer, employee and other stakeholder interests. The Directors and SLT have strong relationships with all key stakeholders across the wider Group to ensure the global strategy and expectations are understood and considered as part of the Company's strategic decisions for the UK. | The Board and SLT participate in Siemens forums and conferences at a global and UK level. Employees are also able to join regular webinar updates given by the Group's management with regard to the Company's strategy and performance. These take place at a global, country and business level.<br><br>Dividend proposals are also a key decision made each year with the Board having regard to the ability of the Company to make a dividend taking into account, amongst other considerations, the needs of the parent company. |

## Non-Financial and Sustainability Information (NFSI) Statement

### Introduction

Siemens plc is a leading sustainable technology company working in the fields of smart infrastructure, e-mobility, automation and digitalisation. We are committed to developing and improving our internal processes and associated disclosures in the coming years. To do so, Siemens plc recognises the recommendations and guidance on mandatory climate-related financial disclosures, which sit alongside our own sustainability targets and climate-related risks and opportunities set out in the Siemens Sustainability Report 2024[1].

### Governance

Sustainability is at the heart of our business activities, and it plays a key role in our decision-making processes. It determines our responsible business practices, our risk management approach and our technological contribution to climate protection, resource conservation and product eco-efficiency in the interest of future generations.

### Role of the Siemens AG board and its committees

The Siemens AG governance structure around Sustainability and climate protection can be found on pages 147,148 and 149 of the Siemens AG Sustainability Report 2024[1].

### Role of Siemens plc management and its committees

Our CEO is responsible for sustainability and climate-related issues at Siemens plc. As outlined in the Siemens Sustainability Report 2024 our CEO is supported by the Director of Sustainability and Environment, Health and Safety (EHS), who takes on the role of 'Head of SUS' and is responsible for overseeing climate-related matters and provides updates to the CEO as required. Input is also provided by the UK Siemens Sustainability Working Group. The Sustainability Working Group consists of Senior Leadership Team (SLT) members, Finance Leadership Team (FLT) members, business, strategy and subject matter experts, sales and corporate representatives who meet quarterly to discuss sustainability topics and targets, including climate-related issues. The members of the SLT, such as the Siemens Holdings plc CFO and Director of Sustainability and EHS, sit on the Sustainability Working Group, to ensure they have an oversight of climate-related risks and opportunities. SLT members feed into Siemens AG across multiple functions, for example, our CEO reports directly to the Siemens AG CEO of Smart Infrastructures (SI), who also sits on the Siemens AG Managing Board, with sustainability and climate-related issues pertinent to all businesses within Siemens Holdings plc being regularly discussed during their one-to-one meetings. The Director of Sustainability and EHS also reports into the Siemens AG Sustainability and EHS departments.

The function of the Siemens Sustainability Working Group is to represent businesses participating in the design and delivery of sustainability and climate action to make Siemens a leading sustainable enterprise and leverage the competitive advantages this brings. Its role is to look at the strategic direction, and to support the subject matter experts in the course of their roles related to sustainability and climate. Our understanding of climate action is fully based on our company values - responsible, excellent, innovative. At Siemens, we define sustainable development as the means to achieve profitable and long-term growth. In doing so, we, externally, align ourselves with the goals of the United Nations' 2030 Agenda for Sustainable Development while, internally, striving to balance people, environment and profit.

The purpose of the Sustainability Working Group in relation to climate is to:

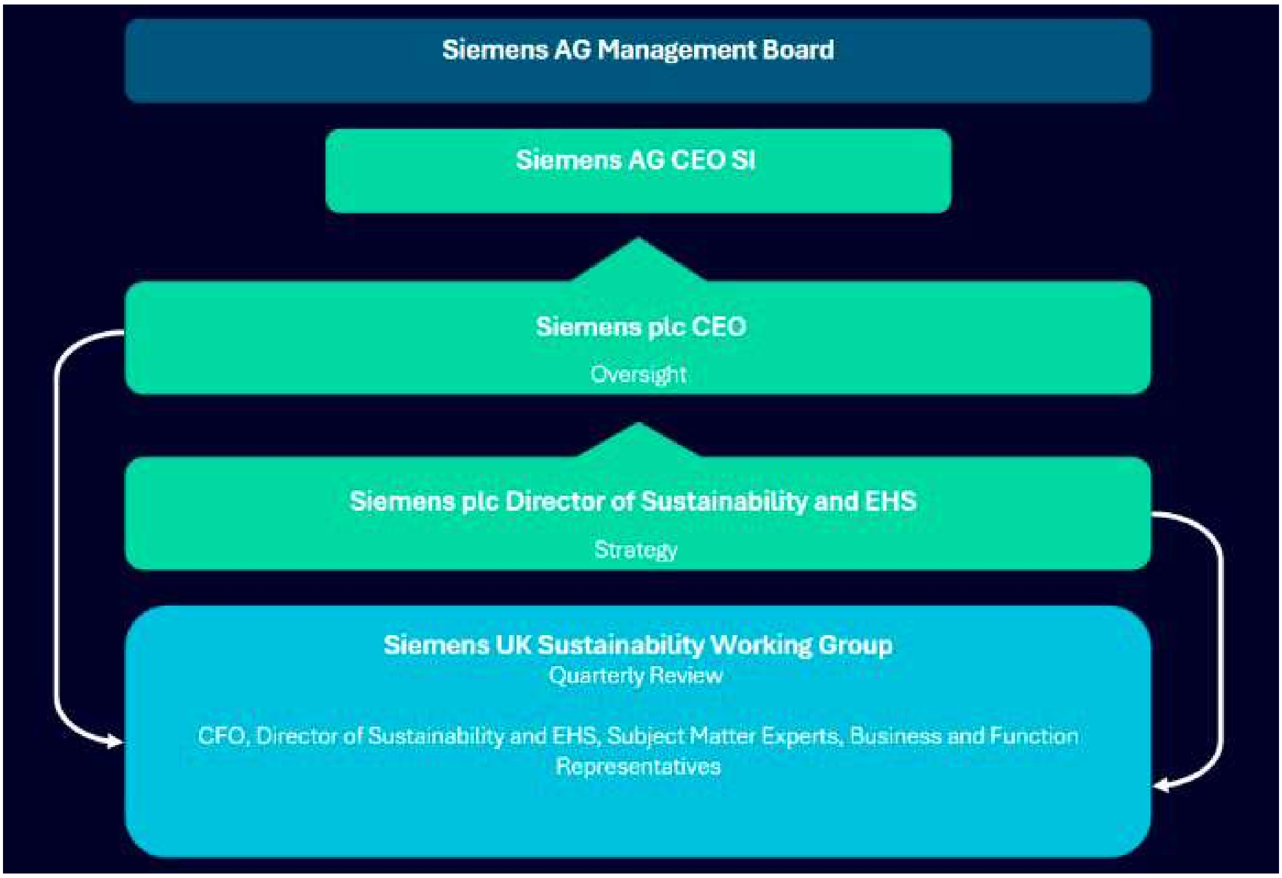
- Review sustainability topics with specific focus on our strategic goals and climate-related risks and opportunities.
- Monitor climate related risks and opportunities.
- Track progress against Siemens plc sustainability targets related to climate action.
- Take a long-term overarching view of our climate related risks and opportunities and how it affects the company.
- Challenge our businesses on climate action progress and future climate actions towards the 2030 net zero target, including cost-benefit analysis.

[1] Siemens AG Sustainability Report 2024

The role of Sustainability Working Group members in relation to the climate is to:

- Understand the strategic implications and outcomes of initiatives being proposed to address climate-related risks and opportunities.
- Represent the views of the business area or governance function on climate action.
- Be an advocate for climate action throughout all areas of the business.
- Be committed to, and actively involved in, pursuing climate-related objectives.

**Siemens sustainability and climate-related governance structure**




**Management's role in assessing and managing climate-related risks and opportunities**

As part of our governance process the SLT are given quarterly updates on risks and opportunities through the Enterprise Risk Management (ERM) process, which includes climate-related risks and opportunities where applicable. Any significant risks are then escalated to the Siemens AG Managing Board (see "Risk management" section). Our Risk and Internal Control (RIC) system is also utilised to manage sustainability and climate-related risks and opportunities. This provides a certain degree of assurance that our business objectives are being met and key risks adequately managed, for more information see the 'Risk Management' section of this report.

Climate-related issues are considered in decision-making and performance objectives but there are opportunities to strengthen this, which we are working towards. We are also reviewing our process for monitoring climate-related issues to ensure they are robust and capture relevant climate-related risks and opportunities.

**Strategy**

Sustainability, including climate action, is a key part of Siemens AG strategy, so much so that environmental change and resource efficiency has been identified as one of our five Megatrends. It is embedded in our business activities, investment decision-making, financial planning and governance. This commitment is reflected in the DEGREE[2] framework, which includes the sustainability and climate-related topics important to Siemens, including decarbonisation and resource efficiency, for which ambitious targets (see section "Metrics and targets") have been set. These targets apply to Siemens' own operations as well as to our supply chain. Siemens AG have embedded sustainability as a strategic imperative in all our investment decisions – from company acquisitions and customer projects to the assessment of suppliers. Siemens plc feeds into the Siemens AG strategy through the governance processes outlined in this disclosure, our risk management process (see section "Risk Management") and through aggregating Siemens plc's performance against metrics and targets to parent company level.

Siemens portfolio is focused on the technologies that are driving the digital transformation of industry, intelligent infrastructure and sustainable transportation. All of which is making a key contribution to the transition to a low-carbon economy, examples of projects that Siemens plc have contributed towards this in the UK include:

- Proposing a roadmap for decarbonising Trafford Park, one of Europe's largest industrial estates, to support Trafford Council's aims for the Greater Manchester borough to achieve net zero by 2038[3].

- Forming a strategic partnership with the University of East London to create net zero campuses by 2030[4].

- Partnering with Electric Vehicle (EV) charge point operators, EV, Blink Charging and Evyve to deliver metering services, which will enable a faster installation of the EV charging infrastructure[5].

- Siemens plc is supporting full-scale demonstrations to test new technologies through "living labs", working with universities to test integrated energy systems at their campuses. Siemens plc have worked with the University of Keele to turn the whole campus into a living laboratory, exploring next-level energy-intelligent energy systems[6]. A similar project has been undertaken with the University of Hull. Siemens plc is helping the university to become carbon neutral by 2027, by becoming a "living laboratory"[7].

- Siemens Digital Industries (DI) Research and Design (R&D) is supported through partnerships with universities. For example, Siemens DI collaborated with University of Sheffield and Yorkshire Water. Yorkshire Water used Siemens technologies including artificial intelligence (AI) and the Internet of Things (IoT) to improve the performance of its sewer network.

Siemens Xcelerator is an open digital business platform that accelerates digital transformation and drives innovation. Through Xcelerator Digital transformation becomes faster, simpler, and scalable for customers (in the areas of industry, buildings, power grids, and transportation), while digital solutions make their companies more flexible, resilient, efficient, and sustainable. An example of how Xcelerator is being used in the UK is our partnership with the University of Birmingham[8] to make its campuses in Birmingham and Dubai the smartest net zero campuses in the world.

**The process for identifying and assessing Siemens plc climate-related risks and opportunities**

To identify and assess the materiality of climate-related risks and opportunities relevant to Siemens plc, we have worked with a leading global sustainability consultancy. An initial qualitative scenario analysis assessment has been completed enabling us to understand the potential future materiality and timings of significant climate-related risks and opportunities. This was done by reviewing publicly available information and information/data shared by Siemens plc, which was used to identify climate-related risks and opportunities and to assign a preliminary rating for the associated inherent risk. Market and sector insights and experience were used as inputs to further assess climate change risks and opportunities.

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2 https://www.siemens.com/global/en/company/sustainability/sustainability-figures.html#DEGREE

3 https://news.siemens.co.uk/news/siemens-completes-study-to-decarbonise-major-uk-industrial-estate-by-2038

4 https://www.siemens.com/global/en/industries/urban-communities/references/university-of-east-london.html

5 https://news.siemens.co.uk/news/new-metering-deals-set-to-fast-track-10-000-new-electric-vehicle-charging-points

6 https://new.siemens.com/global/en/products/energy/references/send-keele-university-smart-energy-management.html

7 https://www.hulldailymail.co.uk/news/education/siemens-university-hull-carbon-neutral-4345521

8 https://www.siemens.com/global/en/industries/urban-communities/references/university-of-birmingham.html

The assessment covers 2025, 2030, 2040 and 2050 timeframes and uses scenario datasets where the temperature outcomes align with the trends of the following two International Energy Agency (IEA) scenarios:

- **'Stated Policies Scenario (STEPS)'**: A high carbon scenario that accounts for current/stated climate-related policies, but which does not forcefully pursue decarbonisation, leading to an implied global climate warming of approximately 2.6 °C in 2100.

- **'Net Zero Emissions by 2050 (NZE)'**: A pathway that shows a narrow but achievable pathway for achieving 1.5 °C by 2050. This results in advanced economies reaching net zero ahead of others and accounts for Sustainable Development Goals (SDGs). The scenario limits global temperature rise to 1.5°C without a temperature overshoot with 50% probability.

Timeframe specification is based on an understanding of current market trends, which could be enhanced by a faster transition aligned with limiting global warming to 2°C. When selecting our timeframes, we selected the short-term timeframe of 2025 to align with the shorter-term business planning cycle and risk management cycle. The medium-term time horizon of 2030 was chosen to align with our DEGREE framework and Climate Group initiatives. The longer-term horizons of 2040 onwards were selected as this aligns with the lifespan of many asset types Siemens plc are involved with.

Scenario indicator data comes primarily from the IEA World Energy Outlook 2021, supplemented with the UK Climate Change Committee (CCC) 6th Carbon Budget (2020) for UK-specific data. Scenario indicators are mapped to each risk and opportunity.

The analysis is qualitative rather than quantitative and is based on the relative financial significance of the business units, or how much of the Siemens plc business could be impacted by the identified risk (or opportunity). Following the identification of our climate-related risks and opportunities we held workshops to identify our key risks and opportunities, these are detailed in the transition risks and opportunities table below.

**Transition risks and opportunities**

| Category | Key area | Commentary | Time horizon[9] | Financial Driver | Potential Impact | Mitigation approaches |
|---|---|---|---|---|---|---|
| Market | Renewable energy capacities | • Increasing development of offshore wind and solar PV (among other renewable energies).<br>• Underestimating or overestimating the demand for renewable energy and potential shortages in supply chain if the demand is high. | Short term | OPEX | Higher risk/ opportunity | • Siemens Smart Infrastructure (SI) has a significant opportunity for entering key markets, especially related to renewable energy generation (e.g., smart grid). The opportunity associated with the use of alternative energy sources (especially in industry) increases over time.<br>• Monitor the renewable energy market.<br>• To ensure renewable energy is considered in our consultancy advice. |
| Technology | Cyber Security | Digitalisation to deliver decarbonisation brings higher costs and customer expectations for cyber security of the data. Cybersecurity in an increasingly digital world could increase brand awareness and competitive positioning | Short term | OPEX | Higher risk/ smaller opportunity | Industrial security is of the highest priority for successful digitalisation, this is regarded as a key focus when designing innovative products, solutions, and services. Siemens takes a holistic approach to cyber security, ensuring all our systems are 'Secure by Design'. |
| Policy and Legal | Potential exposure to litigation | Legal action against Siemens plc for not taking sufficient action against climate change | Long term | Revenue/ OPEX | Higher risk | We continue to closely monitor existing and new climate related legislation. We are committed to delivering our net zero targets. |
| Policy and Legal/ Reputation | Scope 3 emissions | Scope 3 emissions are coming under increasing scrutiny as companies are being asked to consider emissions throughout the value chain. Inaction, in terms of doing nothing to limit emissions in the supply chain, is a risk factor. | Medium term | Revenue/ OPEX | Higher risk | Our supply chain management (SCM) teams have targets in place that relate to scope 3. Further work will be done to improve our scope 3 emissions, a key part of this will be ensuring data visibility and quality. |

[9] Short – within five years, Medium – up to 2030, Long- beyond 10 years

| | | | | | | |
|---|---|---|---|---|---|---|
| Energy source | Decarbonisation of the built environment | Smart buildings and technology-enablement of the built environment | Medium term | Revenue/ OPEX | Higher opportunity | Siemens designs and implements building efficiency and sustainability improvement programs that are commensurate with the customers' own constraints and goals. |
| Energy Source | Net zero Industrial clusters | The development of low carbon industrial clusters provides an opportunity for a number of Siemens UK business areas | Medium term | Revenue/ OPEX | Higher opportunity | Siemens are a member of NetZero Northwest which are looking at decarbonised industrial clusters to drive a sustainable economy. |
| Products and Services | Digitalisation | Based on the Siemens UK business model, there are a very large number of opportunities associated with increasing digitalisation and the IoT | Short term | Revenue | Higher opportunity | We are delivering on our responsibility to utilise technology to provide future focused solutions and improvements for communities. Our solutions connect data across all operating technologies and the IoT. Siemens Xcelerator approach makes digital transformation more effective. |
| Products and Services | Electrification of transport | Mobility solutions for a low carbon transport system, for example charging infrastructure. | Medium term | Revenue | Higher opportunity | We are improving the EV charging infrastructure at Siemens plc locations using our own technology. Our eMobility business also offers a tailored and continued support throughout the charging equipment's lifecycle. |
| Reputation | Workforce retention and talent acquisition | A quickly growing market for certain technical skillsets and capabilities, driven by new technology applications and developments, could mean accessing and retaining top talent is a risk relating to the low carbon transition. Being at the forefront of the transition could mean attracting and retaining top talent. | Medium term | Revenue/ OPEX | Moderate risk/ opportunity | • As well as assisting with our transition to a lower carbon economy the DEGREE framework also includes Employability, with targets to enable our employees to stay resilient and relevant in a forever changing environment.<br>• Long Term Incentive (LTI) for senior managers based on Greenhouse Gas (GHG) emissions.<br>• Siemens plc has longstanding apprenticeship, intern and graduate schemes, which have been highly successful.<br>• A Green Skills framework has been mapped and is awaiting approval. |
| Reputation | Reputational risks | A very large number of potential reputational risks associated with many of the other risks listed here, as well as generally around climate change inaction, or action that is seen to be detrimental to climate | Medium term | Revenue/ OPEX | Higher risk | To continue to monitor and manage the transition risks, to make progress on our DEGREE and Climate group 100 commitments. |

**Risk identification and assessment of physical risks**

The assessment used different climate event types to give a 'headline' view of physical climate-related risk across the Company. The significance of these event types to Siemens plc are considered using relevance weightings and climate data, to show the trends in key event types in relation to specific scenarios, out to future time horizons. The assessment intended to provide a review across our four main UK sites, to allow the identification of relevant risks for further investigation. The results from the assessment were used in collaboration with site representatives to aid the identification of key physical climate-related risks which may materially impact each site's operations, using existing risk assessment framework.

The timeframes and climate scenario included in the assessment are:

- 2030 and 2050, using the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 8.5. This represents a 'business as usual' scenario which assumes that, through limited coordinated action, the world continues emitting significant amounts of carbon through the century, with warming continuing through to 2100. It is the closest aligned scenario to current trends in the actual emissions trajectory and the current rate of warming.

The physical risks were grouped into two categories:

- Acute, these are extreme events such as, severe flooding events thunderstorms, droughts, heatwaves, and wildfires.
- Chronic, these are gradual changes such as, rising sea levels or continued changes to temperature and rainfall.

| Physical risks | | | | | | |
|---|---|---|---|---|---|---|
| **Category** | **Event type** | **Climate Conditions** | **Risk Rationale** | **2030 Risk** | **2050 Risk** | **Current Mitigation approach** |
| Acute and Chronic | Extreme Heat | Baseline analysis suggests that none of the assessed sites are at risk from extreme heat. However, there is a projected increase in extreme heat events, suggesting that heatwaves and increasing average temperatures could become an issue for Siemens UK in the future. | The research conducted suggests that Siemens UK's sites are resilient to extreme heat. However, possible risks by 2030 and 2050 could include:<br>• Staff needing more breaks and not working during the hottest part of the day.<br>• Increase of heat stress and other heat-related illness.<br>• Reduction in staff productivity. | Moderate Risk | High Risk | • Ensuring staff have adequate breaks and hydration.<br>• Business continuity plans<br>• Risk Assessments in place.<br>• New sites need to meet the green lease criteria.<br>• Ventilation. |
| Acute | Flooding | Baseline analysis suggests that none of the assessed sites are at risk from surface water flooding, and some are also not at risk from river flooding. However, some of our sites located near rivers may be affected by river flooding. There is a projected increase in two kinds of precipitation:<br>• short, heavy periods of precipitation, associated with surface water flooding.<br>• longer duration rainfall over a 5-day period, driving river flooding. | Sites in proximity to rivers may experience more frequent and intense river floods. All sites may also experience an increase in surface water flood occurrence, despite this hazard not being material during the baseline period, as it does not depend on a site's proximity to a river. This could lead to:<br>• Access issues for repairs, maintenance, and emergency response services.<br>• Increased risk of site shutdowns due to damaged machinery or equipment.<br>• Delays in manufacturing due to flooding of key transport routes disrupting the supply of raw materials. | Low Risk | Moderate Risk | • Water assessments are completed at relevant sites in line with Siemens water strategy.<br>• All new sites are subject to legal checks to ensure sites are not at risk of flooding.<br>• Site drainage. |
| Acute | Storms | There is a projected increase in storm intensity by both 2030 and 2050 and storms are indicated to affect all sites. | The high wind speeds associated with storms could lead to:<br>• Damage to Siemens UK's above-ground infrastructure resulting in increased need for repairs.<br>• Disruption to emergency response and repair services if transport networks are impacted. | Moderate Risk | Moderate Risk | • Business continuity plans.<br>• Site drainage. |

**The impact of climate-related risks and opportunities on our strategy**

Siemens plc faces notable reputation risks (monitoring of Scope 3 emissions), particularly within its value chain. These risks are expected to become even more dominant in the future, as external stakeholders and customers actively consider the impacts of the Company's supply chain on the environment. Policy and legal is the second largest risk category, at almost the same scale as reputation risks in the short term. With the growing long-term reputational pressure, the relative risk contribution decreases. These risks have been addressed, among other things, in the context of our sustainability framework DEGREE (see Metrics and Targets), in which ambitious targets have been set to address our climate related risks and opportunities. Further measures to reduce climate-related risks include, for example, our decarbonisation strategy as well as engagement in the supply chain.

The opportunities for Siemens plc are primarily related to existing products and services. The demand for Siemens products, enabling the use of new technologies and energy efficiency improvements in multiple sectors (buildings, industry, power generation, and transmission), is expected to grow rapidly in a low-carbon scenario. This is why, although the impact of climate-related changes is uncertain, we consider the transition to a low-carbon economy to be an opportunity. Through enabling our customers to reduce their own GHG emissions utilising our portfolio and by reducing $CO_2$ emissions in our own operations, we support the transition towards a low-carbon economy.

**Resilience of our strategy**

To leverage climate-related opportunities, sustainability and decarbonisation have been included in the Siemens AG strategy review, where action plans were drawn up by business units, to support customers in achieving their sustainability and decarbonisation goals. This and the findings from the scenario analysis, indicate that our business model strategy will be resilient to the transition to a lower carbon economy. Siemens AG have undertaken a qualitative assessment of different climate scenarios (including a Paris Agreement-aligned scenario) to stress test Siemens strategy. We have tested the resilience of our strategy against different climate scenarios for our EV opportunity in Siemens Infrastructure (SI). We would look to replicate this exercise for our other risks and opportunities to ensure our strategy is resilient across the board. This is something we are looking to do, as whilst the assessment done by Siemens AG is highly relevant to our strategy, we want to ensure we have a resilient process in place for climate-related risks and opportunities material to Siemens plc. At Siemens plc we have considered the impact on operational costs for achieving our climate change targets, however further work is needed to assess the financial impact of climate-related issues across the value chain.

Whilst physical climate change poses risks to our operations and supply chain, after conducting the assessments and evaluating the physical risks to our sites, these were deemed to not be material. This is because existing strategies and mitigations have been deemed sufficient. An example of an existing process in place is the Siemens AG water strategy, which aims to minimise the negative local impact of water consumption and use. It also considers, among other things, factors such as water scarcity, water pollution, flooding, ambient fire risk, and the results of climate change. Two of Siemens plc's key manufacturing sites have completed the water assessment, with controls documented. We will continue to monitor and review climate related physical risks to Siemens plc to ensure our strategy and mitigations are adequate.

We have started work towards quantifying some of our material risks and opportunities, which will allow us to quantify our other climate-related risks and opportunities in more detail. We chose to pursue the market related opportunities arising from increased electrification and the transition to EV within SI, as the most quantifiable due to the quality of data inputs and because these opportunities are expected to have high materiality from 2025. The scenarios used for the quantification were IEA STEPS and NZE, we also looked at the Key National Grid Indicators:

- **Leading the Way scenario** – In the short term (2035), shows lower levels of residential charging. Presents lower opportunity for Siemens software/hardware sales in the home charging market.

- **Falling Short scenario** – In the short term (2035), shows higher levels of residential charging. Presents greater opportunity for Siemens software/hardware sales in the home charging market.

This was presented to the SI management team who evaluated how we would perform under these different climate scenarios and quantified the opportunity. Our strategy in these scenarios was found to be resilient even for the worst-case scenario, as it is scalable to market demand.

We are looking to manage the climate-related risks identified and we have detailed our existing mitigations, further work will be done on our mitigation approaches to understand whether they are sufficient. We are positioned favourably in terms of our opportunities and work has been done to look at how we can maximise our most significant opportunities, this also will be extended to other identified opportunities.

**Risk Management**

**Identification of key climate-related risks**

In assessing our climate-related risks and opportunities, we have followed the categories outlined by the NFSI statement. To identify climate-related risks, we conduct initial risk assessments (through workshops) looking at all potential risks and opportunities and decide which are relevant to Siemens plc. The Sustainability and EHS Director is the risk owner for climate change risks and updates the risks every quarter. Input from business units on specific risks is considered as part of the second quarter of the fiscal year risk review before risks are reported to corporate during the fourth quarter. This involves approaching business units and asking for detailed information regarding a specific risk and potential cost implications.

Additional workshops were held to upskill Siemens plc senior leaders and key stakeholders on climate risk and the NFSI statement. The workshops covered climate science, risk, financial implications and an introduction to the NSFI statement.

**Assessing climate-related risks**

Climate-related opportunities and risks are integrated into our company-wide ERM process. ERM is a framework of methods and processes used to manage risks and pursue opportunities related to the achievement of Siemens business objectives. The (ERM) categorisation model provides a scheme to identify and aggregate the organisation's business risks, including climate-related risks. It covers a broad spectrum of 'topics' and 'sub-topics'. These topics are reflected in four dimensions - Strategic, Operations, Financial and Compliance. The topics are aligned with the structure of the Policy and Control Master Book (PCMB).

Climate change is not treated as a separate category within the ERM approach but is considered within the four topic areas of strategic, operational, financial, and compliance-related risks. Risk processes have been implemented upstream throughout the Company to assess potential climate-related net risks for ERM reporting. Material opportunities and risks are disclosed on an aggregated basis within the above-mentioned four topic areas in the Siemens AG annual report.

Our assessment of climate-related risk and opportunity pertinent to Siemens plc projected up to 2050. Within the ERM Framework is ERM radar, which is a long-term forward-looking feature to enable the monitoring of emerging risks and opportunities and potential game-changing topics going beyond the normal three-year time horizon. Assessment is based on impact and velocity[10] with very low formal requirements. Entries are monitored on local level and are not supposed to be tracked on the next higher level. To review a longer timeframe, we have also adopted the Sustainability and Environmental Early Warning System, developed by the Siemens AG Environment Department which integrates the ERM model, focuses on a longer time frame of 10 years and considers the risk of climate change to our own operation and supply chain.

**Integrating climate-related risks**

Through the ERM framework, climate-related risks and opportunities are integrated into our strategic decision making. Climate change considerations are part of how we operate, and climate is included in our bottom-up operational risk management process, providing an overview of climate-related risks across Siemens.

In addition to ERM, RIC control 1.4.1.2-3 is in place for sustainability, to ensure that sustainability aspects are strategically considered along the entire value chain within their business activities. This means to systematically integrate both sustainability-related business opportunities and business risks in decisions, strategies, portfolio, processes, and systems. Climate-related opportunities and risks are considered within this RIC control, which is reviewed yearly by the control requirement owner, for Siemens plc this is the Sustainability and EHS Director.

**Our risk management approach to climate-related opportunities and risks**

Risk management at Siemens builds on a comprehensive, interactive and management oriented ERM approach that is integrated into the organisation and that addresses both risks and opportunities. ERM at Siemens is based on a net risk approach in which the risks and opportunities are addressed that remain after the implementation of existing, effective measures and controls. Identified climate risks are assessed, and measures for risk prevention, transfer, or mitigation are devised for all relevant risks. Our ERM process aims for early identification and evaluation of, and response regarding, risks and opportunities that could materially affect the achievement of our strategic, operational, financial, and compliance objectives. The time horizon is typically three to five years, addressing risks and opportunities remaining after the execution of existing and effective measures and controls.

All relevant risks and opportunities are prioritised in terms of impact and likelihood, considering quantitative and/or qualitative perspectives. The bottom-up identification and prioritisation process is supported by workshops with the respective management. The top-down perspective is cascaded from corporate to Business level and ensures that potential new risks and opportunities are discussed on management level and are included in the subsequent reporting process, if found to be applicable. Reported bottom-up, risks and opportunities are analysed regarding potential cumulative effects and are aggregated on the next higher level. The reporting and escalation process aims at providing the management at each organisational level with relevant information regarding the respective risk and opportunity landscape. Risks are reviewed as part of the annual Siemens plc budget process and are reviewed quarterly with senior management.

[10] Risk Velocity can be defined as the speed of occurrence of a particular risk impacting the organisation.

## Metrics and Targets

Net zero is at the forefront of Siemens strategy. By joining the Science Based Targets initiative (SBTi), Siemens has pledged to reduce emissions from its own operations (Scope 1 and 2) by 55% by 2030 and its Scope 3 emissions (upstream and downstream) by 20% compared to 2019. These targets highlight our commitment towards limiting global warming to 1.5°C and to containing climate change. In addition, our pledge to reduce GHG emissions in our own operations is a key part of our DEGREE sustainability framework and is embedded in our target of net zero operations by 2030. In Siemens plc we have reduced our Scope 1 and Scope 2 (market-based electricity) emissions by a total of 42% since fiscal year 2019. When we account for the green gas certificates [11] purchased this increases to a 67% reduction.

### Metrics and targets used to assess climate-related risks and opportunities

| Metric | Target Type | Baseline[12] | Target | Key Risk/Opportunity | Progress to date |
|---|---|---|---|---|---|
| Improve our energy efficiency [13] | Absolute | - | 10% reduction by 2030 | Decarbonisation of the built environment, through using our own technology | 35% reduction from our baseline. |
| RE100[14] | Absolute | - | Complete conversion to green electricity | Reputational risks, litigation, and renewable energy. | • Some of our key manufacturing sites and offices are already on a green electricity tariff, including our headquarters in Manchester.<br>• We are looking to invest in Solar PV at some of our manufacturing sites, with work underway to draw up project proposals.<br>• Using green electricity ensures we are doing the right thing; we can also utilise our own expertise to ascertain what can be done at our own sites. |
| EV100[15] | Absolute | - | 100% of company leased or owned vehicles to be EV by 2030 | Electrification of transport, using our own technology and expertise | 44% of our Siemens Vehicle Plan (SVP) are EV[16]. Plans have been put in place to achieve EV100 by 2030 with interim targets agreed. We are also improving the charging infrastructure at our key sites using Siemens technology. |
| EP100[17] | Absolute | - | Net zero emission buildings | Reputational risks, litigation and renewable energy. | Our sites are working towards this goal. Sites that are added to our portfolio must meet our green lease criteria. We can utilise our own expertise to ascertain what can be done at our own sites. |
| Net zero operations[18] | Absolute | 2018/19 | By 2030, with 55% emissions reduction by 2025 and 90% by 2030 | Decarbonisation of the built environment | 67% reduction in Scope 1 and 2 emissions from the FY2019 baseline. |
| Net zero supply chain | Absolute | 2019/20 | By 2050, 20% emissions reduction by 2030 | Scope 3 emissions | Scope 3 figures are included in the Siemens plc carbon report. Further work is being done to improve our data quality. |

[11] 6929 Mwh of green gas certificates were purchased equalling 1,267 tCO2e

[12] The baseline for all our targets has been set by our parent company Siemens AG, for further information on the baselines please see the Siemens AG Sustainability Report 2024

[13] This is calculated using the energy baseline (gas and electric) in fiscal year 2021 for Siemens plc sites and comparing it to the energy figures in fiscal year 2024 to calculate the reduction in absolute energy usage.

[14] https://www.there100.org/

[15] https://www.theclimategroup.org/ev100

[16] This is calculated based on the percentage of EV in our SVP.

[17] https://www.theclimategroup.org/ep100

[22] Omniflow - Smart energy platform powered by wind and solar with built-in energy storage (siemens.com) https://assets.new.siemens.com/siemens/assets/api/uuid:2b24c241-49b4-410c-964c-948dd0a9f3c1/Omniflow-brochura_original.pdf

| | | | | | |
|---|---|---|---|---|---|
| Next-level Robust Eco Design[19] | Absolute | 2020/21 | For 100% of relevant Siemens product families by 2030 | Reputational risks, potential exposure to litigation, RED pursues the vision of a product life cycle that is as environmentally compatible as possible, and in which all materials are recycled. At the same time, material and energy flows and losses are to be reduced to a necessary minimum | This is currently tracked at Siemens AG level. The degree of implementation of our RED specifications in the relevant product families is 54%, compared to 16% in the base year 2021. Further work needs to be done to quantify this for Siemens plc. |
| Natural resource decoupling[20] | Absolute | 2020/21 | Increased purchase of secondary materials for metals and resins | Reputational risks, potential exposure to litigation, secondary materials require fewer resources to produce. | This was done at a Siemens-wide procurement level, where it was confirmed in fiscal year 2022 sustainability report that we were sourcing 35% secondary metals and <1% resins. Further work needs to be done to quantify this for Siemens plc. |
| Circularity through waste-to-landfill[21] | Absolute | 2020/21 | Reduction of 50% by 2025 and towards zero landfill waste by 2030 | Reputational risks, potential exposure to litigation, reducing waste to landfill reduces pollution and increases resource efficiency. | This target has been exceeded as Siemens plc is zero waste to landfill with our main waste contractors and works proactively with waste services providers to continually move materials up the waste hierarchy. |

The reduction of GHG emissions has been integrated into the Long-term Incentive (LTI) compensation as part of a Siemens internal ESG/Sustainability index, applicable for members of the Managing Board and UK SLT. The anchoring of the reduction of GHG emissions in this system and the responsibility of each of our businesses for the reduction of its pro-rated emissions are key elements of our management approach and require regular monitoring.

Siemens considers climate-related risks and opportunities along the entire value chain. Accordingly, we define metrics for the reduction of greenhouse gas emissions in the supply chain, in the Company's own operations, and for the goods and services we provide to our customers. Our membership of the Climate Group's RE100, EV100, and EP100 initiatives, is strengthening our climate protection strategy. Interim targets have been set globally, which Siemens plc are in the process of implementing to ensure we meet the target by 2030 for our SVP and commercial vehicles.

By 2030, we have an intensity target to improve our energy efficiency compared to the base year 2021 by 10%. This is further supported by our ISO 50001 certification for Siemens plc, in which our key manufacturing sites and offices have achieved ISO 50001 certification. Since 2021 we have reduced our absolute energy usage at our sites by 35%, through energy efficiency initiatives such as replacing fluorescent lighting with LEDs and installing an air source heat pump at one of our manufacturing sites. The reduction of our property portfolio has also had a significant impact, for example we vacated our registered office at Frimley and moved to a smaller more energy efficient site.

Siemens plc has an internal carbon price in place, which was implemented in 2019 for our Scope 1 and 2 emissions. The price for 2024 was set by the Sustainability Working Group to align with the DESNZ high sensitivity carbon pricing pathway. Aligned with the Siemens DEGREE framework, the internal carbon price helps accelerate the transition to net zero by 2030. The internal carbon price incentivises carbon reduction projects, assessing the performance and resilience of operations. In addition to supporting the science-based targets with the SBTi, 1.5°C commitment. This funding has already been used to improve our EV charging infrastructure at UK sites, to install Omniflow[22] at our Manchester office and to deliver an energy management project which established and tested a process to identify and then lower our sites' energy baseload. In addition to UK internal carbon price, Siemens AG incorporated carbon tax into the ERM process, specifically for the SI supply chain. This is now the responsibility of SI supply chain management to monitor this risk. Siemens AG have also integrated product carbon footprint into the ERM process.

**Scope 1 and 2 greenhouse gas footprint and energy efficiency**

The Scope 1 GHG emissions for Siemens plc are generated through the direct burning of fuel (predominately natural gas) mainly through heating our sites and through driving company cars. They are calculated using the latest UK government conversion factors available during the fiscal year to calculate the tonnes of carbon dioxide equivalent ($CO_{2e}$). For location-based gas the conversion factor used is the Gaseous Fuel, Natural Gas (Gross CV) figure (Kg $CO_{2e}$).

20 See page 9 of the Siemens AG Sustainability Report 2024

21 The waste data provided by our waste contractors is reviewed by waste description, European Waste Code (EWC) and the waste treatment facility the waste was sent to for example, recycling or energy recovery. Waste Duty of care audits are periodically carried out to ensure compliance.

18 Metrices are linked to the LTI

19 See page 9 of the Siemens AG Sustainability Report 2024

Scope 2 GHG emissions for Siemens plc arise from the use of electricity in our offices, manufacturing processes and our EVs. For our location-based electricity the conversion factor is the UK electricity generated figure (Kg $CO_{2e}$) from the latest UK government conversion factors. For market-based electricity the conversion factor would be zero as all sites on the Siemens energy contract are 100% renewable and have a zero-carbon conversion factor. For all our remaining sites and EV fleet the Market Based $Co_{2e}$ will be the same as the Location Based $CO_{2e}$. This is why we are seeing an increase in our market-based emissions on our FY19 baseline, as our fleet transitions from Internal Combustion Engines (ICE) to EV. See the SECR report on page 21 for a further breakdown of our carbon data, including the amount of RGGO and REGO purchased.

| Category | 2018/19 (Baseline) | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---|---|---|---|---|---|---|
| Scope 1(combustion of gas and fuel for transport) | 5,073 $tCO_2e$ | 5,513 $tCO_2e$ | 4,432 $tCO_2e$ | 3,280 $tCO_2e$ | 2,774 $tCO_2e$ | 2,737 $tCO_2e$ |
| Scope 2 (Location-based electricity) | 3,865 $tCO_2e$ | 3,302 $tCO_2e$ | 1,562 $tCO_2e$ | 1,401 $tCO_2e$ | 1,465 $tCO_2e$ | 934 $tCO_2e$ |
| Scope 2 (Market based electricity) | 48 $tCO_2e$ | 26 $tCO_2e$ | 27 $tCO_2e$ | 270 $tCO_2e$ | 307 $tCO_2e$ | 223 $tCO_2e$ |

We have a carbon reduction plan for all our Siemens plc sites, with all sites eliminating natural gas energy sources by 2030 in favour of renewable energy sources. New Siemens plc sites must have streamlined office space, be highly energy efficient, and be capable of becoming net zero energy usage. Our six key sites and our fleet are certified to ISO50001:2018. Actions taken within the ISO 50001 management system include designing in energy efficiency to the planned refurbishment of offices and linking a key manufacturing site to a local hydro power project. A carbon dashboard has been developed for our Scope 1 and 2 emissions from our sites and fleet. This will allow us to monitor our performance more closely and accurately, thus assisting with our decarbonisation and energy efficiency targets.

**Scope 3 GHG emissions**

In line with our SBTi commitments and DEGREE targets, we are actively working on reducing our scope 3[23] supply chain carbon emissions and have been reporting on key categories in our Siemens plc carbon report which fulfils the 06/21[24] requirements for government procurement contracts. We are continuing to improve data quality and transparency across our supply chain and are collaborating with key suppliers and other stakeholders.

Siemens plc collects and reports scope 1 and 2 (and relevant Scope 3) data to calculate its operational carbon footprint. Category 14 is not applicable as we do not have any franchises and categories 3 and 8 have been explored and deemed to be immaterial to our UK carbon footprint. No figures are available for the other unreported scope 3 categories yet largely due to data being unreliable or inaccessible. This is something we are working towards improving as Scope 3 emissions throughout the value chain is one of our higher transition risks.

Approved by the board of directors on March 26, 2025 and signed on its behalf by

S H Kahanov

Company Secretary

Kahanov Sharon

Digitally signed by Kahanov Sharon
Date: 2025.03.26 08:57:50

[23] Scope 3 calculations include Electrium Sales Ltd and Siemens Financial Services Ltd data as historically these have been reported together and some of the figures are difficult to separate. Going forwards this data will be separated out for Siemens plc where possible.

[24] https://assets.new.siemens.com/siemens/assets/api/uuid:8c894abd-d16f-4060-9590-d2c802c60867/siemens-plc-carbon-report-2024.pdf

**DIRECTORS' REPORT**

The directors who served the Company during the year and subsequently were as follows:

C Ennis

S H Kahanov

J Murnieks

None of the directors holding office at September 30, 2024 had notified a beneficial interest in any contract to which the Company were a party during the financial year.

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

**DIVIDENDS**

During the year the directors declared and paid a dividend of £nil to its immediate parent company Siemens Holdings plc (2023: £nil).

**RESEARCH AND DEVELOPMENT**

The Company continues to invest in research and development in the UK. During the year, the Company received a net credit of £877k (2023: £804k) on research and development.

**FINANCIAL INSTRUMENTS**

The Company's financial risk management objectives and policies, including the exposure to market risk, credit risk and liquidity risk are set out in note 29 to the financial statements.

**GOING CONCERN**

The Directors continue to monitor the potential impact of the UK and global economy and geo-political uncertainty on the future financial results and have prepared a going concern assessment and cash flow projections for the business. The current trading is in line with updated forecasts. The Directors do not foresee any material future impact on the ongoing trading performance of the company. The Directors expect the business to operate under profitable conditions for the foreseeable future with limited cash flow implications on the business and have assessed the potential impact on its business in the short term to be manageable. This view is underpinned by business continuity planning, risk management and internal controls in budgeting and forecasting. Nonetheless, the Directors acknowledge the long-term view remains a challenge and continue to monitor developments and prepare accordingly.

The directors have performed a detailed review of the Company's cash flow forecasts, including severe downside scenarios, and consider that the Company will have sufficient funds available over the going concern period to March 31, 2026 to meet its liabilities as they fall due, subject to its ability to access the Siemens AG cash pooling facility described below.

Siemens AG operates a cash pooling facility across its worldwide group. Cash generated by the Company is passed to other Siemens AG group companies. The Company is then able to draw down on these balances, if required. The Company has set out its financial risk management policies, including management of liquidity, in note 29 to the accounts.

The Company is reliant on its ability to continue to access this cash pooling facility in order to meet its liabilities as they fall due over the going concern period, through to March 31, 2026. The Directors have considered the Company's rights under the cash pooling agreement and have made enquiries of the management of Siemens AG to satisfy themselves that the Company has an unconditional right to access this cash through the going concern period and that Siemens AG will have sufficient liquidity through the going concern period to provide cash under this agreement when required.

Based on their assessment of the Company's financial position, future performance, liquidity and risks and the Siemens AG cash pooling arrangement, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence through to March 31, 2026. Thus, the Company continues to adopt the going concern basis of accounting.

## STREAMLINED ENERGY & CARBON REPORTING (SECR)

All the SECR data requirements for unquoted 'large' companies have been met and the energy consumption and emissions are reported below. This includes UK consumption of electricity, gas and transport fuels where the Company is responsible for the fuels. The methodology used to calculate emissions is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard: revised edition.

UK Government greenhouse gas emissions conversion factors for 2024 have been applied. An operational control approach has been taken.

Scope 2 emissions from purchased electricity have been calculated using the location-based and market-based approaches.

| | 2024 | 2023 |
|---|---|---|
| Energy consumption used to calculate emissions: kWh<br>– optional to provide separate figures for gas, electricity, transport fuel and other energy sources | 19,945,301 | 19,738,671 |
| Gas Consumption (kWh) | 8,315,044 | 4,479,472 |
| Electricity Consumption (kWh) | 4,321,903 | 6,416,775 |
| Transport fuel (kWh) | 7,308,354 | 8,842,424 |
| Emissions from combustion of gas tCO2e (Scope 1) | 1,521 | 820 |
| Emissions from combustion of fuel for transport purposes tCO2e (Scope 1) | 1,216 | 1,954 |
| Emissions from business travel in rental cars or employee -owned vehicles where company is responsible for purchasing the fuel tCO2e (Scope 3) | 380 | 389 |
| Emissions from purchased electricity tCO2e (Scope 2, location -based) | 934 | 1,465 |
| Emissions from purchased electricity tCO2e (Scope 2, market -based) | 223 | 307 |
| Total gross tCO2e based on above | 4,051 | 4,628 |
| Intensity ratio: tCO2e gross figure based from mandatory fields above/ £100,000 turnover | 0.7552 | 0.709 |

**Energy Efficiency Action:**

Siemens continues on its journey to Net Zero inline with it's 1.5 °C aligned science-based targets and commitments it has made to EV100, EP100 and RE100.

In the financial year ended September 30, 2024, the Company raised it's Internal Carbon Price to £75/tonne (2023: £50/tonne) to support further investments in the technologies required to decarbonise our operations.

The business has continued to be certified to ISO50001:2018 for six key sites and its fleet. The overarching objective is to be more energy efficient year-on-year in addition to meeting the Siemens AG and Siemens plc energy efficiency target. In the period covered by the report the Company has purchased 3543 MWh of renewable electricity via a REGO green tariff and 6929 MWh of Green Gas Certificates. We also generated 322 MWh of renewable electricity via the Havannah Weir Hydro project and Omniflow PV and wind powered street lighting at two locations.

Further information on our approach to Sustainability can be found at new.siemens.com/uk/en/company/sustainability.html

## STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

For the financial year ended 30 September 2024, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies. The Wates Principles offer the Company an opportunity to demonstrate good practice and assess its corporate governance arrangements and set out below are details of how these six broad Principles are applied throughout its business.

***Principle 1 - Purpose and Leadership***

The Company is a member of the Siemens AG group of companies ("Group") and as such the strategic decisions of the Group have a major influence on the decisions of the Company. The purpose of the Group is to create meaningful, positive change that shapes the world we want to live in.

The board of directors of the Company ("Board") is responsible for developing and promoting the Group's purpose in the UK and ensuring that the following values, strategy and culture align with that purpose:-

- Values - to act responsibly, excellent and innovative.
- Strategy - the Group's four strategic priorities are: customer impact (anticipating customer needs ); empowered people (driving progress through empowering customers, partners and employees); technology with purpose (innovative technology will remain at the core of the future we're building) and growth mindset (building tomorrow by learning and being open to change).
- Ownership Culture - comprises of five elements: values; behaviours; leadership; people orientation and equity. These elements and the power of fostering an ownership culture are a unifying force within the Group. The Group strives to further improve ratings in employee surveys for aspects of leadership, openness, diversity and innovation.

Siemens AG is a leading technology company focused on industry, infrastructure, transport and healthcare. By combining the real and digital worlds, the Group empowers customers to master their digital transformation and sustainability challenges. Siemen AG's own commitment to sustainability includes a Group wide DEGREE framework which sets clear priorities and has intensified the focus of all Group businesses on ambitious sustainability goals comprising of targets for environmental, social sustainability as well as good governance.

Further details on the Company's Board and the way it engages with stakeholders in relation to its purpose can be found in the Strategic Report and other sections of this statement.

***Principle 2 - Board Composition***

Board membership is comprised of the Chief Executive Officer, Chief Financial Officer and General Counsel who have high levels of experience and knowledge of their respective functions and bring together business, commercial, financial and legal skills and expertise. The Board believe that its size, diversity and experience are appropriate to meet the strategic needs and challenges of the business and to enable effective decision-making. The Board has ultimate responsibility for promoting diversity, equity and inclusion and whilst this is evident at Board level with the Board being gender and ethnically diverse it recognises that further work needs to be done to ensure it is truly embedded in everything the Company does and several initiatives, policies and programmes are underway to achieve this. By way of example the CFO co-chairs the Women into Leadership program with the Company's UK Head of People and Organisation and the Company has also signed up to the Change the Race Ratio which focusses specifically on achieving ethnic and racial diversity in leadership teams and on the Board.

***Principle 3 - Director Responsibilities***

The directors occupy positions of authority within the organisation and are jointly responsible for the management of the Company, leading and directing the affairs of the Company having regard to its business policy and corporate strategy in making decisions for the long-term success of the Company and its stakeholders. The Board has reserved certain principal matters for its own approval whilst the day-to-day management of the Company is undertaken by the CEO and the Senior Leadership Team ("SLT"). All Board members are members of the SLT which is designated as a committee of the Board to support the CEO in the performance of his duties. The SLT plays an important business-focused and commercial role in the UK operations with representatives from each of the main businesses as well as leaders from corporate and governance functions. The SLT receives regular updates on business and financial performance, people and organisation, legal, compliance and environmental, health and safety matters.

The board regularly appraises the allocation and responsibility of reserved matters and focus topics across the board, its committees and working groups to ensure effective decision making and independent challenge.

Further corporate governance practices applied beyond legal requirements are contained in the Siemens Business Conduct Guidelines ("BCG") which are binding for all employees worldwide. The BCG set out the fundamental principles governing how we treat each other as colleagues, how we treat our external partners and our responsibility to society and the environment. The BCG provide the ethical and legal framework within which the Group wants to conduct its activities and give expression to its company values: "Responsible" - "Excellent" - "Innovative."

The Group's compliance system aims to ensure that its business practices comply with the BCG and obey all applicable laws. To this end, and to protect against compliance risks, the Group compliance system combines strong governance at company and group level with the presence of dedicated compliance officers. They work closely with management and indeed all employees who assume personal responsibility for compliance in their respective areas. Secure reporting channels are in place for all employees and external stakeholders to report violations of external and internal rules.

***Principle 4 - Opportunities and Risk***

The Board follows the Group's values when considering the impact of key decisions. The Group is setting the course for long-term value creation through accelerated growth and stronger profitability with a simplified and leaner company structure.

Risk management at the Company builds on a comprehensive, interactive and management-oriented Enterprise Risk Management (ERM) approach that is integrated into the organization and that addresses both risks and opportunities. Our ERM process aims for early identification and evaluation of, and response regarding, risks and opportunities that could materially affect the achievement of our strategic, operational, financial and compliance objectives. The time horizon is typically three years, and we take a net risk approach, addressing risks and opportunities remaining after the execution of existing control measures. In order to provide a comprehensive view of our business activities, risks and opportunities are identified in a structured way combining elements of both top-down and bottom-up approaches. Reporting generally follows a quarterly cycle; we complement this periodic reporting with an ad-hoc reporting process that aims to escalate critical issues in a timely manner. Relevant risks and opportunities are prioritized in terms of impact and likelihood, considering different impact perspectives, including business objectives, reputation and regulatory requirements. The bottom-up identification and prioritization process is supplemented by workshops with the respective management. The top-down element ensures that potential new risks and opportunities are discussed at different management levels and are included in the subsequent reporting process, if found to be relevant.

***Principle 5 - Remuneration***

The executive remuneration is set by Siemens AG and structures are aligned across all Global Senior Managers (Senior Manager). Criteria considered for the appropriateness of remuneration are economic situation, company performance, future prospects and alignment with market practice. Furthermore it is based on the following principles:

Compensation linked to impact and growth: The Company's size and economic position is also to be reflected in Senior Manager's compensation. Exceptional achievements are to be adequately rewarded, while falling short of targets results in an appreciable reduction in compensation.

Ensuring competitiveness: In order to attract outstanding candidates for the Senior Manager roles and to retain them for the long term, compensation should be attractive compared to that offered by competitors.

Focus on successful, sustainable management of the Company: Senior Managers are expected to make a long-term commitment to and on behalf of the Company. As a result, they can benefit from any sustained increase in the Company's value. For this reason, a substantial portion of their total compensation is linked to the long-term performance of the Siemens AG shares.

Based on these principles Senior Manager's remuneration comprises both non-performance-based and performance-based elements and is divided into three main components: base compensation, short-term variable compensation and long-term stockbased compensation.

Base compensation: Each Senior Manager receives base compensation for performing his or her duties. This compensation is paid in 12 monthly instalments. Base compensation is defined taking into consideration individual performance and salary benchmark of the role.

Short-term variable compensation (Bonus): The Management Bonus scheme is mandatorily applied to all Senior Managers globally. The plan design is focusing on high level business targets in line with external market trends and consistent to the bonus system of the Siemens AG Managing Board. Each Senior Manager will be given an on-target Bonus that is defined as a percentage of basic compensation. The percentage depends on the internal and external benchmark of the role. The payout amount of the Bonus depends on the Company's business performance during the past fiscal year.

Long-term stock-based compensation (Siemens Stock Awards): Senior Managers are expected to make a long-term commitment to and on behalf of the Company. For this reason, a substantial portion of each Senior Manager's total compensation is tied to the long-term performance of the Siemens AG share.

Benefits: Siemens plc offers a broad portfolio of benefits to all employees such as pensions, private medical, employee discounts to name a few.

Similar principles and remuneration structures are applied to the rest of the Siemens plc workforce as appropriate.

***Principle 6 - Stakeholder Relationship and Engagement***

A range of mechanisms have been established to ensure the perspectives of the Company's stakeholders are understood and taken into account in decision-making. Further detail is set out in the section 172(1) statement set out in the Strategic Report.

## SUBSEQUENT EVENTS

There were no significant events after the reporting period.

## STATEMENT OF ENGAGEMENT WITH EMPLOYEES

The directors continue to encourage employee engagement and participation within the Company. The Siemens' Leadership and management development programmes provide a basis for inclusive leadership that values the contribution made by all employees. This style of leadership includes team briefings, bulletins, 'townhall" meetings which are open to all employees, and access to information and learning on our intranet pages and through our global learning platform. We recognise and support the right of our employees to seek and enjoy representation. Our Siemens Employee Council (SEC, Employee Representative Committee (ECC) provide employees with opportunities for meaningful engagement and dialogue with the Company on matters of concern to them. Through our wide range of opportunities or engagement and participation, we encourage suggestions and ideas for innovation and improvement and in turn we commit to, and do, provide timely responses. More information can be found in the section 172 statement on pages 3 to 7.

## GROUP POLICIES

### Environmental

As a leading global company, Siemens has a responsibility to comply with the highest ethical and legal standards while protecting the environment and benefiting society as a whole. These principles are embedded in our DEGREE ESG framework, the environmental elements of which focus on Decarbonisation and Resource Efficiency. Through Siemens Eco Efficiency programme, the Company drives its ambition levels around three pillars: Responsible Product Development (including Robust Eco Design), Clean Supply Chain (including purchase of recycled materials) and Efficient Own Operations (covering energy efficiency and waste hierarchy shift). The business has set science based (SBTi) carbon reduction targets and remains focused on continual improvements in energy efficiency. By moving waste up the waste hierarchy and eliminating waste where possible, the organisation is embedding circular economy principles in the way it does business.

There are a number of initiatives, such as Siemens STAR Awards, which recognises and rewards contribution to Siemens ownership culture covering Living Our Values, Doing What Matters, Taking The Lead and Working Together.

In addition to our long-term Eco Efficiency programme and the DEGREE framework, we also look at how we can improve our environmental impact through our onsite biodiversity initiatives.

### Equal opportunities

We aim to create an equal work environment for everyone. We will not discriminate against anyone due to a characteristic, recognising the specific legislative protected characteristics; age, disability, sex, gender, gender reassignment, sexual orientation, marriage or civil partnership, maternity or pregnancy, race, religion or belief. In addition, it is against the law to prejudice a person in any way because of a spent conviction, unless it is for safeguarding needs. As well as the legislative requirements, we additionally seek to create equality for all individuals irrespective of diverse backgrounds and experience such as socio-economic background, family status and caring responsibilities, trade union membership and education level. We aim to create equal access to opportunities and promoting fairness and use positive action to overcome any disadvantage that an individual or group may inherently have owing to discrimination or bias, and the provision of reasonable adjustments to support them in conducting their role. We are committed to maintaining a diverse workforce at every stage of their employment. This refers to recruitment, selection and training; promotion, transfer and pay; terms and conditions of employment, including grievance and disciplinary procedures; training and development; termination of employment, including dismissal, redundancy or retirement.

## POLITICAL DONATIONS

The Company did not make any political donations during the current or preceding year.

## DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this annual report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## AUDITOR

PricewaterhouseCoopers LLP were appointed as auditor of the Company commencing fiscal year 2024. In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors on March 26, 2025 and signed on its behalf by

Kahanov Sharon

Digitally signed by Kahanov Sharon
Date: 2025.03.26 08:58:35

S H Kahanov

Company Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2024**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors’ confirmations

In the case of each director in office at the date the directors’ report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board of directors on March 26, 2025 and signed on its behalf by

Kahanov Sharon
Digitally signed by Kahanov Sharon
Date: 2025.03.26 08:59:00

S H Kahanov
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIEMENS PLC

## Report on the audit of the financial statements

### Opinion

In our opinion, Siemens plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 September 2024; the Statement of Income, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's board-approved going concern assessment. We held discussions with management to understand the budgeting process and the key assumptions made in the forecasting processes over management's going concern assessment period;
- Performing a comparison of the cash flow forecasts used in the going concern assessment to those used elsewhere and compared these forecasts for consistency, including for long-term contract accounting and impairment assessments;
- Assessing whether the stress testing performed by management appropriately considered the principal risks facing the business, and were adequate;
- Using our own knowledge from the audit we calculated sensitivities to apply to management's cash flow forecasts. These procedures confirmed significant liquidity in management's forecasts when performing severe but plausible sensitivities;
- Evaluating the feasibility of management's mitigating actions in response to the severe stress testing scenarios;
- Understood the mechanism through which Siemens plc cash is deposited and ability to be accessed through the Siemens AG group cash pooling arrangement;
- We assessed the adequacy of disclosures regarding management's use of the going concern assumption and found these appropriately reflect our understanding of the process undertaken and the conclusion reached.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

**Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

**Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 auditors' 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 ISAs (UK) will 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate results, management bias in critical accounting estimates in particular revenue recognised from long-term contracts, and the valuation of balances related to the defined benefit pension arrangements. Audit procedures performed by the engagement team included:

- Discussions with management, general counsel and the Siemens plc directors throughout the year and since the year end. These discussions have included consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Incorporating elements of unpredictability into the audit procedures performed;

- Challenging assumptions, estimates and judgements made by management and assessing for any indication of management bias in the positions taken; and
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Christopher Boreham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

Date: 27 March 2025

**SIEMENS PLC**

**STATEMENT OF INCOME**

**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (in thousands of £)**

| | Note | **2024** | 2023 |
|---|---|---|---|
| Revenue | 4 | **536,422** | 652,715 |
| Cost of sales | | **(460,909)** | (563,068) |
| **Gross profit** | | **75,513** | 89,647 |
| Research and development credit, net | | **877** | 804 |
| Marketing and distribution expenses | | **(49,258)** | (49,587) |
| Administrative expenses | | **(12,589)** | (10,432) |
| Other operating (expenses) / income | 6 | **(5,614)** | 2,526 |
| **Operating profit** | 5 | **8,929** | 32,958 |
| Interest income | 9 | **16,472** | 12,861 |
| Interest expenses | 9 | **(9,415)** | (9,381) |
| Interest income from pension plans and similar commitments, net | 9 | **7,697** | 14,066 |
| Gains on disposal | 3 | **4,873** | 35,565 |
| Income before income taxes | | **28,556** | 86,069 |
| Income tax expense | 10 | **(4,697)** | (3,492) |
| **Income, net of income taxes** | | **23,859** | 82,577 |
| **Net income for the financial year** | | **23,859** | 82,577 |

The notes on pages 37 to 80 form an integral part of these financial statements.

**SIEMENS PLC**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (in thousands of £)**

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Net income for the financial year** | | **23,859** | 82,577 |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements gains / (losses) on defined benefit plans | 24 | **108,093** | (137,085) |
| Deferred tax (charge) / credit on remeasurement gains / (losses) | 10 | **(27,023)** | 34,272 |
| **Total items that will not be reclassified to profit or loss** | | **81,070** | (102,813) |
| **Other comprehensive income / (loss), net of income taxes** | | **81,070** | (102,813) |
| **Total comprehensive income / (loss)** | | **104,929** | (20,236) |
| Attributable to: Owners of the Company | | **104,929** | (20,236) |

The notes on pages 37 to 80 form an integral part of these financial statements.

**SIEMENS PLC**

**STATEMENT OF FINANCIAL POSITION**

**AS OF SEPTEMBER 30, 2024 AND 2023 (in thousands of £)**

| | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Trade and other receivables | 11 | **443,393** | 443,452 |
| Other current financial assets | 12 | **1,313** | 3,398 |
| Contract assets | 13 | **39,926** | 41,586 |
| Inventories | 14 | **37,419** | 40,356 |
| Other current assets | 15 | **4,181** | 4,051 |
| Assets classified as held for disposal | 3 | **-** | 1,245 |
| **Total current assets** | | **526,232** | 534,088 |
| Goodwill | 16 | **150,592** | 150,592 |
| Other intangible assets | 17 | **15,573** | 20,353 |
| Property, plant and equipment | 18 | **48,922** | 40,985 |
| Other receivables | 19 | **27,661** | 23,335 |
| Pension plans and similar assets | 24 | **257,742** | 140,623 |
| Other assets | | **64** | 30 |
| **Total non-current assets** | | **500,554** | 375,918 |
| **Total assets** | | **1,026,786** | 910,006 |
| **LIABILITIES AND EQUITY** | | | |
| Borrowings and lease liabilities | 23 | **34,642** | 33,421 |
| Trade and other payables | 21 | **54,438** | 78,494 |
| Other current financial liabilities | 20 | **1,225** | 1,912 |
| Contract liabilities | 13 | **28,875** | 22,814 |
| Current provisions | 25 | **3,302** | 3,193 |
| Current income tax liabilities | | **8,786** | 6,102 |
| Other current liabilities | 22 | **56,022** | 61,144 |
| Liabilities associated with assets classified as held for disposal | 3 | **-** | 223 |
| **Total current liabilities** | | **187,290** | 207,303 |
| Borrowings and lease liabilities | 23 | **211,371** | 207,433 |
| Post-employment benefits | 24 | **623** | 628 |
| Provisions | 25 | **2,344** | 3,676 |
| Other liabilities | | **2,974** | 3,290 |
| Deferred tax liabilities | 10 | **60,254** | 31,046 |
| **Total non-current liabilities** | | **277,566** | 246,073 |
| **Total liabilities** | | **464,856** | 453,376 |

**SIEMENS PLC**

**STATEMENT OF FINANCIAL POSITION**

**AS OF SEPTEMBER 30, 2024 AND 2023 (in thousands of £)**

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 26 | **1,000** | 1,000 |
| Capital contribution reserve | | **419,061** | 418,690 |
| Retained earnings | | **141,869** | 36,940 |
| **Total equity** | | **561,930** | 456,630 |
| **Total liabilities and equity** | | **1,026,786** | 910,006 |

The notes on pages 37 to 80 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the board of directors on March 26, 2025 and were signed on their behalf by:

Digitally signed by Murnieks James
Date: 2025.03.26 06:56:48

Murnieks James

J Murnieks
Director
Siemens plc
Registered number: 727817

SIEMENS PLC

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (in thousands of £)

| | Note | 2024 | 2023 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Net income for the financial year | | **23,859** | 82,577 |
| Adjustments to reconcile net income to cash flows from operating activities | | | |
| Depreciation and amortisation | 5, 17, 18 | **15,865** | 15,055 |
| Income tax expenses | 10 | **4,518** | 3,492 |
| Interest income, net | 9 | **(7,057)** | (3,480) |
| Defined benefit pension income in Statement of Income | 24 | **(7,661)** | (13,818) |
| Losses / (gains) on disposal of property, plant and equipment, net | 6 | **4,743** | (2,615) |
| Gains on sales of investments / operations | 3, 6 | **(4,873)** | (35,565) |
| Impairment of property, plant and equipment | 5, 18 | **5** | - |
| Operating profit before changes in working capital and provisions | | **29,399** | 45,646 |
| Changes in assets and liabilities | | | |
| Inventories | 14 | **3,295** | 2,239 |
| Contract assets | 13 | **1,659** | 4,589 |
| Trade and other receivables | 11 | **10,720** | 5,802 |
| Other current assets | 15 | **1,955** | (1,620) |
| Trade payables and accrued expenses | | **(30,016)** | (2,127) |
| Contract liabilities | 13 | **6,061** | 3,255 |
| Current provisions | 25 | **(48)** | 387 |
| Other current liabilities | 22 | **(590)** | 4,277 |
| Long term assets | | **(34)** | (11) |
| Long term liabilities | | **(17,678)** | (16,297) |
| Cash generated from operations | | **4,723** | 46,140 |
| Interest received* | | **17,034** | 12,078 |
| Research and Development tax credit | | **(47)** | (55) |
| Income taxes received | | **590** | 9,256 |
| Interest paid* | | **(9,415)** | (9,381) |
| Defined benefit pension contributions paid | 24 | **(1,370)** | (1,551) |
| **Cash flows from operating activities** | | **11,515** | 56,487 |
| Cash flows from investing activities | | | |
| Additions to intangible assets and property, plant and equipment | 17, 18 | **(22,145)** | (13,779) |
| Disposal of intangibles and property, plant and equipment | 17, 18 | **8,384** | 7,750 |
| Finance lease repayment receipts | | **13,017** | 11,406 |
| Disposals of businesses, net of cash disposed | 3 | **6,135** | 38,214 |
| Purchase of trade and assets of other entities | 3 | **-** | (2,327) |
| **Cash flows from investing activities** | | **5,391** | 41,264 |

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2024 AND 2023**

| | Note | 2024 | 2023 |
|---|---|---|---|
| Cash flows from financing activities | | | |
| Change in financing from other group companies | 11, 21 | **2,855** | (81,680) |
| Repayment of lease liabilities | | **(19,761)** | (16,071) |
| **Cash flows from financing activities** | | **(16,906)** | (97,751) |
| Change in cash and cash equivalents | | - | - |
| Cash and cash equivalents at the beginning of the year | | - | - |
| **Cash and cash equivalents at the end of the year** | | - | - |

Siemens AG operates a cash pooling facility across its worldwide group. Cash balances generated by entities are passed to Siemens AG and companies are able to draw down on these facilities if required. Therefore, apart from any accounts held with local banks, amounts invested with/drawn down from the Siemens AG accounts are shown as an intercompany balance. Changes in the balances on these facilities are included in cash flows from financing activities in the Statement of Cash Flows. An increase in cash that is loaned to the cash pool is shown as a cash outflow from financing activities, and an increase in cash borrowed from the cash pool is shown as a cash inflow from financing activities.

Also included within the change in financing from other group companies are the balances due from other group companies arising from the sale of businesses, as well as loans to other group companies.

*Prior year comparative has been re-presented to show a gross interest paid and received in line with IAS 7 amending the net interest received of £2.6m originally disclosed in 2023.

**SIEMENS PLC**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (in thousands of £)**

| | Note | Share capital | Capital contribution reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| Brought forward October 1, 2022 | | 1,000 | 418,530 | 57,176 | 476,706 |
| Net income for the financial year | | - | - | 82,577 | 82,577 |
| Other comprehensive loss, net of income taxes | | - | - | (102,813) | (102,813) |
| **Total comprehensive loss for the financial year** | | - | - | (20,236) | (20,236) |
| Equity settled share based payments | | - | 851 | - | 851 |
| Recharge from ultimate parent undertaking | | - | (851) | - | (851) |
| Deferred Tax on share based payments | | - | 160 | - | 160 |
| **Balance at September 30, 2023** | | 1,000 | 418,690 | 36,940 | 456,630 |
| Brought forward October 1, 2023 | | **1,000** | **418,690** | **36,940** | **456,630** |
| Net income for the financial year | | **-** | **-** | **23,859** | **23,859** |
| Other comprehensive income, net of income taxes | | **-** | **-** | **81,070** | **81,070** |
| **Total comprehensive income for the financial year** | | **-** | **-** | **104,929** | **104,929** |
| Equity settled share based payments | | **-** | **626** | **-** | **626** |
| Recharge from ultimate parent undertaking | | **-** | **(626)** | **-** | **(626)** |
| Deferred Tax on share based payments | | - | **371** | - | **371** |
| **Balance at September 30, 2024** | | **1,000** | **419,061** | **141,869** | **561,930** |

**Capital contribution reserve:** Certain directors and senior managers of the Company are eligible for share options and stock awards and all employees are eligible to join the share matching plan in the ultimate parent undertaking, Siemens AG. These share options are awarded directly by the ultimate parent undertaking, who requires the Company to make a payment (equal to the fair value of the options at grant date or the costs incurred by the ultimate parent undertaking, depending on the grant date) to reimburse it for the granting of these rights. The capital contribution reserve is used to recognise the Company's share-based payment expense in respect of the share matching plan. The payments made to Siemens AG are deducted from this reserve to the extent that the costs have already been recognised. Any additional payments are charged directly to the Statement of Income. Further details in respect of share-based payment plans are available in note 28.

**Dividends to equity holders:** A dividend of £nil was paid in the year (2023: £nil).

**Other changes in equity:** These are credits reflecting the tax deduction arising on the exercise of share options which have previously been accounted for within equity.

## 1. Basis of presentation

The accompanying financial statements present the operations of the Company and have been prepared and approved by the directors in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements were authorised for issue by the Board of Directors on March 26, 2025. The financial statements have been prepared on a historical cost basis with the exception of certain items which are measured at fair value as disclosed in note 2.

Siemens plc has prepared and reported its financial statements in Great British Pounds (GBP or £) and the financial information is disclosed in thousands of £, except where stated otherwise. 'k' denotes thousands of '£' and 'm' denotes millions of £. Due to rounding, numbers presented may not add up precisely to totals provided. Siemens plc is a public limited company incorporated in England and Wales with a balanced portfolio of activities. The registered office is located at Pinehurst 2, Pinehurst Road, Farnborough, Hampshire, GU14 7BF.

The Company applied all standards and interpretations issued by the International Accounting Standards Board ('IASB') that were effective as of September 30, 2024. In these financial statements, the term 'Group' refers to all companies for whom the ultimate parent undertaking is Siemens AG. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### Going concern

The Directors continue to monitor the potential impact of the UK and global economy and geo-political uncertainty on the future financial results and have prepared a going concern assessment and cash flow projections for the business. The current trading is in line with the updated forecasts. The Directors do not foresee any material future impact on the ongoing trading performance of the company. The Directors expect the business to operate under profitable conditions for the foreseeable future with limited cash flow implications on the business and have assessed the potential impact on its business in the short term to be manageable. This view is underpinned by business continuity planning, risk management and internal controls in budgeting and forecasting. Nonetheless, the Directors acknowledge the long-term view remains a challenge and continue to monitor developments and prepare accordingly.

The directors have performed a detailed review of the Company's cash flow forecasts, including severe downside scenarios, and consider that the Company will have sufficient funds available over the going concern period to March 31, 2026 to meet its liabilities as they fall due, subject to its ability to access the Siemens AG cash pooling facility described below.

Siemens AG operates a cash pooling facility across its worldwide group. Cash generated by the Company is passed to other Siemens AG group companies. The Company is then able to draw down on these balances, if required. The Company has set out its financial risk management policies, including management of liquidity, in note 29 to the accounts.

The Company is reliant on its ability to continue to access this cash pooling facility in order to meet its liabilities as they fall due over the going concern period, through to March 31, 2026. The Directors have considered the Company's rights under the cash pooling agreement and have made enquiries of the management of Siemens AG to satisfy themselves that the Company has an unconditional right to access this cash through the going concern period and that Siemens AG will have sufficient liquidity through the going concern period to provide cash under this agreement when required.

Based on their assessment of the Company's financial position, future performance, liquidity and risks and the Siemens AG cash pooling arrangement, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence through to March 31, 2026. Thus, the Company continues to adopt the going concern basis of accounting.

**2. Summary of material accounting policies and critical accounting estimates**

**Material Accounting Policies**

Management has considered the principles of materiality in IFRS Practise Statement 2 *Making Materiality Judgements,* and only those accounting policies which are considered material have been presented in these financial statements.

**Business combinations —** Business combinations (other than those from Siemens group companies) are accounted for under the acquisition method. Siemens plc as the acquirer and the acquiree may have a relationship that existed before they contemplated the business combination, referred to as a pre-existing relationship. If the business combination in effect settles a pre-existing relationship, Siemens plc as the acquirer recognises a gain or loss for the pre-existing relationship. The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange. Any contingent consideration to be transferred by Siemens plc as the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured; subsequent settlement is accounted for within equity. Acquisition-related costs are expensed in the period incurred. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interests are measured at the proportional fair value of assets acquired and liabilities assumed (partial goodwill method). If there is no loss of control, transactions with non-controlling interests are accounted for as equity transactions not affecting profit and loss. At the date control is lost, any retained equity interests are remeasured to fair value.

Business integrations from Siemens group companies are accounted for at the fair value of the assets acquired and liabilities incurred or assumed at the date of exchange (‘fair value’). Goodwill is recorded by the acquiring company as the difference between the fair value and the consideration paid to the selling company.

**Foreign currency transaction** — Transactions that are denominated in a currency other than the functional currency of the entity, are recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognised. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are revalued to functional currency applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognised in the Statement of Income. Those foreign currency-denominated transactions which are classified as non-monetary are remeasured using the historical spot exchange rate.

**Revenue recognition:** The Company recognises revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the customer’s creditworthiness. Revenue is the transaction price the Company expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. Revenue is recognised for each performance obligation either at a point in time or over time.

**Revenues from construction-type contracts:** Revenues are recognised over time under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs. An expected loss on the contract is recognised as an expense immediately. Payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

**Revenues from maintenance and service contracts:** Revenues are recognised over time on a straight-line basis or, if the performance pattern is other than straight-line, as services are provided, i.e. under the percentage-of-completion method as described above. Payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

**Revenues from product sales**: Revenues are recognised at a point in time when control of the goods passes to the buyer, usually upon delivery of the goods. Invoices are issued at that point in time and are usually payable within 30 days. For licensing transactions granting the customer a right to use Siemens’ intellectual property, payment terms are usually 30 days from the date of invoice issued according to the contractual terms.

**Income from interest** - Interest is recognised using the effective interest rate method.

**Dividends** — Dividends are recognised when the right to receive payment is established.

**Goodwill** — Goodwill is not amortised, but instead tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses.

The goodwill impairment test is performed at the level of a cash-generating unit represented by a Division or equivalent, which is the lowest level at which goodwill is monitored for internal management purposes.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit that is expected to benefit from the synergies of the business combination. If the carrying amount of the cash-generating unit, to which the goodwill is allocated, exceeds its recoverable amount, an impairment loss on goodwill allocated to this cash-generating unit is recognised. The recoverable amount is the higher of the cash-generating unit's fair value less costs to sell and its value in use. If either of these amounts exceeds the carrying amount, it is not always necessary to determine both amounts. The Company determines the recoverable amount of a cash-generating unit based on its fair value less costs to sell. These values are generally determined based on discounted cash flow calculations. Impairment losses on goodwill are not reversed in future periods.

**Other intangible assets** — Intangible assets can either be acquired in a business combination or developed internally. The Company amortises intangible assets with finite useful lives on a straight-line basis over their respective estimated useful lives to their estimated residual values. Estimated useful lives for software, patents, licenses and other similar rights generally range from three to five years, except for intangible assets with indefinite useful lives acquired in business combinations. Intangible assets acquired in business combinations primarily consist of relationships and technology. Useful lives in specific acquisitions ranged from four to twenty years for customer relationships and from five to twenty-five years for technology. Items classed as "Other" are tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable.

Internally developed intangible assets must meet all of the following criteria in order to be recognised:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale
- there is an intention to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it is probable future economic benefits will arise from the intangible asset
- there is an availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset
- there is an ability to measure reliably the expenditure attributable to the intangible asset during its development

**Property, plant and equipment** — Property, plant and equipment, is valued at cost less accumulated depreciation and impairment losses. Depreciation expense is recognised using the straight-line method. The following useful lives are assumed:

| | |
|---|---|
| Factory and office buildings | 20 to 50 years |
| Other buildings | 5 to 10 years |
| Leasehold improvements | 2 to 15 years |
| Technical machinery & equipment | generally 10 years |
| Furniture & office equipment | generally 5 years |

**Impairment of property, plant and equipment and other intangible assets** — The Company reviews property, plant and equipment and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets with indefinite useful lives as well as intangible assets not yet available for use are subject to an annual impairment test. Impairment may also occur if the asset is part of a cash-generating unit (see Goodwill above).

**Non-current assets held for disposal** — The Company classifies a non-current asset or a disposal group (outside discontinued operations) as held for disposal if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is the case if all the criteria below are satisfied:

- The asset / disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups
- The sale of the asset / disposal group is highly probable and is expected to qualify for recognition as a completed sale within one year
- The appropriate level of management must be committed to a plan to sell.
- An active program to locate a buyer and complete the plan to sell has been initiated.
- The asset / disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value.
- It is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

Non-current assets classified as held for disposal and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation and amortisation ceases.

**Income taxes** — The Siemens Group operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views which can be complex and subject to different interpretations of tax payers and local tax authorities. Under the liability method, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are recognised if sufficient future taxable profit is available, including income from forecasted operating earnings, the reversal of existing taxable temporary differences and established tax planning opportunities. As of each period-end, management evaluates the recoverability of deferred tax assets, based on projected future taxable profits.

**Inventories** — Inventories are valued at the lower of acquisition or production costs and net realisable value, cost being generally determined on the basis of an average or first-in, first-out method.

**Contract assets, contract liabilities, receivables** — When either party to a contract with customers has performed, the Company presents a contract asset, a contract liability or a receivable depending on the relationship between Company's performance and the customer's payment. Contract assets and liabilities are presented as current since incurred in the normal operating cycle. Receivables are recognised when the right to consideration becomes unconditional. Valuation allowances for credit risks are made for contract assets and receivables in accordance with the accounting policy for financial assets measured at amortised cost.

**Provisions** — A provision is recognised in the Statement of Financial Position when it is probable that the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognised as a provision.

**Financial instruments** — A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Based on their contractual cash flow characteristics and the business model they are held in, financial instruments are classified as financial assets and financial liabilities measured at cost or amortised cost and financial assets and financial liabilities measured at fair value and as receivables from finance leases. For additional information refer to note 29.

Regular way purchases or sales of financial assets are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are only recognised in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. Receivables from finance leases are recognised at an amount equal to the net investment in the lease. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned to:

Financial assets measured at amortised cost – Loans, receivables and other debt instruments held in a hold-to-collect business model with contractual cash flows that represent solely payments of principal and interest are measured at amortised cost using the effective interest method less valuation allowances for expected credit losses.

**Financial liabilities** — The Company measures financial liabilities, except for derivative financial instruments, at amortised cost using the effective interest method.

**Cash and cash equivalents** — The Company considers all highly liquid investments with less than three months maturity from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost. The Company is part of a cash pooling arrangement across the worldwide Siemens group. Balances within this facility are classified as *Receivables from group companies* and *Amounts due to group companies.*

**Leases** — The company leases properties and fleet cars and further sub leases it to other Siemens group companies, affiliates and external parties. Under IFRS 16, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Lessor* - The Company leases mainly land and buildings and motor vehicles. Rental contracts are typically made for fixed periods and lease terms are negotiated on an individual basis and contain a wide range of difference terms.

Leases are classified as either finance or operating leases, determined based on whether substantially all the risks and rewards incidental to ownership of an underlying asset are transferred. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. Receivables from finance leases are recognised at an amount equal to the net investment in the lease. The assets underlying the operating leases are presented in Property, plant and equipment and depreciated on a straight-line basis over their useful lives or to their estimated residual value. Operating lease income is recognised on a straight-line basis over the lease term.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head-lease, not with reference to the underlying asset. If a head-lease is a short-term lease to which the Company applies the practical expedients in IFRS 16, it classifies the sub-lease as an operating lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

*Lessee* - Siemens recognises right-of-use assets and lease liabilities for leases with a term of more than twelve months if the underlying asset is not of low value. Payments for short-term and low-value leases are expensed over the lease term. Extension options are included in the lease term if their exercise is reasonably certain. Right-of-use assets are measured at cost less accumulated depreciation expense and impairment losses adjusted for any remeasurements. Right-of-use assets are depreciated under the straight-line method over the shorter of the lease term and the useful life of the underlying assets. Lease liabilities are measured at the present value of the lease payments due over the lease term, generally discounted using the incremental borrowing rate. Lease liabilities are subsequently measured at amortised cost using the effective interest method. They are remeasured in case of modifications or reassessments of the lease.

**Pension costs and other post-retirement benefits**

*Defined contribution plan* — The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the Statement of Income represents the contributions payable to the scheme in respect of the accounting period and represents the full extent of the Company's liability.

*Defined benefit plans* — The Company measures the entitlements by applying the projected unit credit method. The approach reflects an actuarially calculated net present value of the future benefit entitlement for services already rendered. In determining the net present value of the future benefit entitlement for service already rendered (Defined Benefit Obligation (DBO)), the expected rates of future salary increase and expected rates of future pension progression are considered. The assumptions used for the calculation of the DBO as of the period-end of the preceding financial year are used to determine the calculation of service cost and interest income and expense of the following year. The net interest income or expense for the financial year will be based on the discount rate for the respective year multiplied by the net defined liability (asset) at the preceding financial year's period-end date.

Service cost and past service cost for post-employment benefits and administration costs unrelated to the management of the plan assets are allocated among functional costs. Past service costs and settlement gains and losses are recognised immediately in the Statement of Income. For unfunded plans, the amount of the line item Post-employment benefits equals the DBO. For funded plans, the Company offsets the fair value of the plan assets with the DBO. The Company recognises the net amount, after adjustments for effects relating to any asset ceiling.

Remeasurements comprise of actuarial gains and losses, as well as the difference between the return of plan assets and the amounts included in net interest on the net defined benefits liability or asset. They are recognised by the Company in the Statement of Comprehensive Income, net of income taxes.

**Borrowing costs** — The Company pays or receives interest on its intercompany cash balances. These are recognised within interest in the Statement of Income when incurred or receivable. All costs directly attributable to the cost of a qualifying asset are capitalised.

**Share–based payment** — The Company participates in equity-settled share-based payment plans established by its ultimate parent undertaking, Siemens AG. In accordance with IFRS 2, the fair value of awards/share matching granted is recognised as an employee expense with a corresponding increase in the capital contribution reserve in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the awards. The fair value of share-based awards such as stock awards and matching shares is determined as the market price of Siemens AG shares, taking into consideration, if applicable, dividends during the vesting period the grantees are not entitled to and certain non-vesting conditions. A small number of the Company's directors and senior managers are eligible for share options, stock awards and share matching under the plans.

Any expected payments to be made to the Company's ultimate parent undertaking, Siemens AG, in respect of these plans is deducted from the capital contribution reserve in equity over the vesting period, to the extent that expenses have been recorded. Any additional payments are charged directly to the Statement of Income.

## Critical Accounting Judgements and Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the final outcome deviating from estimates and assumptions made.

Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements.

**Revenues from construction-type contracts:** The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and total costs, and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. In addition, the Company needs to assess whether the contract is expected to continue or to be terminated. In determining whether the continuation or termination of a contract is expected to be the most likely scenario, all relevant facts and circumstances relating to the contract are considered on an individual basis.

**Goodwill:** Goodwill is not amortised, but instead tested for impairment annually, as well as whenever there are events or changes in circumstances (triggering events) which suggest that the carrying amount may not be recoverable. The determination of the recoverable amount of a cash-generating unit or a group of cash-generating units to which goodwill is allocated involves the use of estimates by management. The outcome predicted by these estimates is influenced e.g. by the successful integration of acquired companies, volatility of capital markets, interest rate developments, foreign exchange rate fluctuations and the outlook on economic trends. In determining recoverable amounts, discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of value in use include estimated growth rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. See note 16 for further information.

**Pension costs and other post-retirement benefits: Defined benefit plans**

*Critical Accounting Judgements*

Recognition of Asset Surplus: IAS19 limits the amount of surplus arising from a defined benefit plan that an entity can recognise as an asset. Following consultation with external advisors, the company has made the judgement to show the complete asset surplus due to its unconditional right to a refund assuming gradual settlement of the plan, thus using option 11(b) of IFRIC14.

*Areas of Significant Estimation*

Valuation of defined benefit obligation: Actuarial valuations rely on key assumptions including discount rates, expected compensation increases, rates of pension progression and mortality rates. Discount rates used are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period. In case such yields are not available discount rates are based on government bonds yields. Due to changing market, economic and social conditions the underlying key assumptions may differ from actual developments. The company based its estimates and assumptions on currently available knowledge and best available information.

Valuation of the pension assets: Defined benefit plan assets are valued by third parties: directly held assets (including government bonds and derivatives) are valued by the custodian; valuations sourced from the fund provider are used for investments in collective investment vehicles and other pooled investments. Therefore no estimation is required. However, for investments where a market quotable price is not available, for example real estate, insurance policies and a special purpose vehicle (SPV) valuations, are based on key assumptions and best available information. Valuations are based on advice from independent experts. Key assumptions include future inflation, discount rates and life expectancy.

See note 24 for further details, including the assumptions used and sensitivity of the results to key assumptions.

**New and amended standards effective for the year ended September 30, 2024:**

**Insurance Contracts – Amendments to IFRS 17**

In May 2017, after more than 20 years in development, the IASB published IFRS 17 'Insurance Contracts'. This lengthy completion period reflects a number of factors including:

• very diverse local practices for insurance accounting

• a huge range of jurisdiction-specific products, tax implications and regulations that had to be captured by a uniform measurement model

• the need for alignment with other Standards that have been recently published by the IASB, such as IFRS 9 and IFRS 15 'Revenue from Contracts with Customers', and to some degree the work of other standard setters.

The amendment was effective for years beginning after 1 January 2023, however there was no material impact by these amendments on transition.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

In specific circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability.

The amendments require an entity to recognise deferred tax on certain transactions (eg leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

The amendments clarify that the initial recognition exemption set out in IAS 12 'Income Taxes' does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendment was effective for years beginning after 1 January 2023, however there was no material impact by these amendments on transition.

**Definition of Accounting Estimates – Amendments to IAS 8**

The amendments include a definition of 'accounting estimates' as well as other amendments to IAS 8 that will help entities distinguish changes in accounting policies from changes in accounting estimates.

This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events.

The amendment was effective for years beginning after 1 January 2023, however there was no material impact by these amendments on transition.

**Disclosure of Accounting Policies – Amendments to IAS 1 and Practice Statement 2**

The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments were issued as a result of feedback received indicating that reporting entities needed more guidance when determining what accounting policy information should be disclosed.

The amendment was effective for years beginning after 1 January 2023, however there was no material impact by these amendments on transition.

**International Tax Reform; Pillar Two Model Rules – Amendments to IAS 12**

In June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing the OECD's Pillar Two model rules and a global minimum effective tax rate of 15% through implementation of a domestic top-up tax and a multinational top-up tax. The Pillar Two legislation will be effective for the financial year beginning 1 October 2024.

The entity applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. From an initial assessment performed by the group, it is not expected that any material current tax exposure will arise to the company in future periods.

**Extension of the Temporary Exemption from Applying IFRS 9 – Amendment to IFRS 4**

In 2020, the IASB also issued further amendments to the existing insurance Standard IFRS 4, 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' so that entities can still apply IFRS 9 alongside IFRS 17 until 1 January 2023.

The amendment was effective for years beginning after 1 January 2023, however there was no material impact by these amendments on transition.

**Initial Application of IFRS 9 & 17; Comparative Information – Amendment to IFRS 17**

During 2021, the IASB then issued another narrow-scope amendment to IFRS 17 which is applicable on transition to the new Standard. However, it does not impact any other requirements of IFRS 17.

The amendments will be effective for years beginning after 1 January 2023, however there was no material impact by these amendments on transition.

**New standards and interpretations not yet adopted:**

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2024, and have not been applied in preparing these financial statements. Those standards that have relevance to the Company are mentioned below:

**Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1**

In January 2020, the IASB published 'Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)' which clarify the Standard's guidance on whether a liability should be classified as either current or non-current.

IAS 1 requires an entity that has an unconditional right to delay settlement of a liability for at least 12 months from the end of the reporting period, then it can be classified as non-current, if not it is classified as current. Some preparers have found this statement confusing and consequently similar liabilities have been classified differently, making comparisons by investors difficult.

The amendments elaborate on guidance set out in IAS 1 by:

• clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period

• stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability

• adding guidance about lending conditions and how these can impact classification

• including requirements for liabilities that can be settled using an entity's own instruments.

The amendments are effective for annual periods beginning on or after 1 January 2024, however the company is not expecting any material impact on transition.

**Non-current Liabilities with Covenants – Amendments to IAS 1**

In November 2022, the IASB issued some amendments to IAS 1 that aim to improve disclosures about long-term debt with covenants.

IAS 1 requires an entity to classify debt as current if it is unable to avoid settling the debt within 12 months after the reporting date. However, the entity may need to comply with covenants during that same period, which may question whether the debt should be classified as non-current. For example, a long-term debt may become current if the entity fails to comply with the covenants during the 12-month period after the reporting date.

The amendments set out in 'Non-current Liabilities with Covenants (Amendments to IAS 1)' state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements.

The IASB wants these amendments to enable investors to understand the risk that such debt could become repayable early and therefore improving the information being provided on the long-term debt.

The amendments are effective for annual periods beginning on or after 1 January 2024, however the company is not expecting any material impact on transition.

**Lease Liability in a Sale and Leaseback – Amendment to IFRS 16**

In September 2022, the IASB issued amendments to IFRS 16, adding requirements for accounting for a sale and leaseback after the date of the transaction.

The IASB has now issued additional guidance in IFRS 16 on accounting for sale and leaseback transactions. Previously IFRS 16 only included guidance on how to account for sale and leaseback transactions at the date of the transaction itself. However, the Standard did not specify any subsequent accounting when reporting on the sale and lease back transaction after that date.

As a result, without further requirements, when the payments include variable lease payments there is a risk that a modification or change in the leaseback term could result in the seller-lessee recognising a gain on the right of use they retained even though no transaction or event would have occurred to give rise to that gain.

Consequently, the IASB decided to include subsequent measurement requirements for sale and leaseback transactions to IFRS 16.

The amendments are effective for annual periods beginning on or after 1 January 2024, however the company is not expecting any material impact on transition.

**Supplier Finance Arrangements – Amendment to IAS 7 and IFRS 7**

In May 2023, the IASB amended IAS 7 'Cash flow Statements' and IFRS 7 'Financial Instruments: Disclosures' through the increase of disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments require additional disclosures that complement the existing disclosures in these two Standards. They require entities to disclose:

• the terms and conditions of the arrangement

• the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position

• ranges of payment due dates

• liquidity risk information.

The amendments are effective for annual periods beginning on or after 1 January 2024, however the company is not expecting any material impact on transition.

**Lack of Exchangeability – Amendment to IAS 21**

In August 2023, the IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to clarify the approach that should be taken by preparers of financial statements when they are reporting foreign currency transactions, translating foreign operations, or presenting financial statements in a different currency, and there is a long-term lack of exchangeability between the relevant currencies.

The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The amendments:

• introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability. This includes application guidance included in a new Appendix A

• provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable

• require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.

The amendments are effective for annual periods beginning on or after 1 January 2024, however the company is not expecting any material impact on transition.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 3. Acquisitions and Disposals

There were no acquisitions in the year ended September 30, 2024 or in the prior year.

### *a) Disposals during the year*

On October 1, 2023 the assets and liabilities of the Digital Industries Low Voltage Motors, Geared Motors and Weiss Spindeltecnologie business were sold to Innomotics Motors and Large Drives Limited (formerly Siemens Large Drives Limited), another Siemens group company, for consideration of £5.8m, resulting in a pre-tax gain on disposal of £4.7m.

Amounts held for disposal at September 30, 2023 related to the above.

On April 1, 2024 the assets and liabilities of the Gas Chromatographs and Integration business was sold to Valmet Limited for consideration of £349k, resulting in a pre-tax gain on disposal of £110k.

The following classes of assets and liabilities disposed of in the year:

| | Year ended September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Trade and other receivables | **1,149** | 3,597 |
| Other current financial assets | **-** | 103 |
| Contract assets | **-** | 954 |
| Inventories | **367** | 351 |
| Property, plant and equipment | **52** | - |
| **Assets disposed of in the year** | **1,568** | 5,005 |
| Trade payables | **52** | 395 |
| Other current financial liabilities | **1** | 16 |
| Current Provisions | **156** | - |
| Contract liabilities | **-** | 1,515 |
| Other current liabilities | **84** | 373 |
| Provisions | **10** | - |
| Other liabilities | **4** | 57 |
| **Liabilities disposed of in the year** | **307** | 2,356 |
| Net Assets disposed in the year | **1,261** | 2,649 |
| Purchase consideration | **6,134** | 38,220 |
| Gain on disposal | **4,873** | 35,571 |

### *b) Acquisitions / disposals after the year end*

There were no acquisitions or disposals in the period subsequent to the year ended September 30, 2024.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 4. Revenue

Revenue is earned from and analysed into the following business categories & also further categorised as to whether the revenue recognition from customer sales is predominantly at a point in time, or over time:

Goods transferred at a point in time = PIT  Good transferred over time = OT

| | Timing of revenue recognition | Year ended September 30, | |
|---|---|---|---|
| | | **2024** | 2023 |
| Smart Infrastructure | **PIT** | **150,871** | 184,399 |
| Smart Infrastructure | **OT** | **109,210** | 81,282 |
| Digital Industries | **PIT** | **231,927** | 345,146 |
| Digital Industries | **OT** | **14,980** | 13,113 |
| Real Estate | **OT** | **16,595** | 16,389 |
| Portfolio Companies (POC) | | **14,979,704** | - |
| Other* | **OT** | **12,839** | 12,386 |
| | | **536,422** | 652,715 |

**Timing of revenue recognition**
The transaction price allocated to the remaining performance obligations (Unsatisfied or partially satisfied) as at 30 September 2024 are, as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Within one year** | **More than one year** | Within one year | More than one year |
| Smart Infrastructure | **124,426** | **42,983** | 101,918 | 38,321 |
| Digital Industries | **41,623** | **1,308** | 77,457 | - |
| | **166,049** | **44,291** | 179,375 | 38,321 |

Segmental information for the Siemens AG group is presented in the consolidated financial statements of the ultimate parent company, Siemens AG.

*Other revenue includes service revenue mainly from other Siemens operating companies and affiliates in the UK. This revenue relates to services provided in the areas of professional services, IT support and solutions, facilities management and human resources.

## 5. Operating profit has been arrived at after charging / (crediting):

| | Year ended September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Net foreign exchange gains | **(584)** | (1,051) |
| Research and development income | **(877)** | (804) |
| Depreciation of property, plant and equipment (note 18) | **11,949** | 12,308 |
| Amortisation of intangible assets (note 17) | **3,916** | 2,747 |
| Impairment of plant, property and equipment - administrative expenses | **5** | - |
| Staff costs (see note 7) | **173,045** | 165,310 |
| Research and Development tax credit | **(47)** | (55) |
| Grants repaid / (received) | **737** | (450) |
| Auditor's remuneration: | | |
| - audit of financial statements | **451** | 278 |

Amounts payable to PricewaterhouseCoopers LLP and their associates by the Company in respect of non-audit services were £nil (2023: £nil).

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 6. Other operating (expense) / income

| | Year ended September 30, 2024 | 2023 |
|---|---|---|
| (Loss) / profit on disposal of property, plant and equipment and intangibles | **(4,743)** | 2,615 |
| Other | **(871)** | (89) |
| | **(5,614)** | 2,526 |

## 7. Staff numbers and costs

| | Year ended September 30, 2024 | 2023 |
|---|---|---|
| Wages and salaries | **145,704** | 138,665 |
| Social security costs | **16,044** | 14,733 |
| Expenses relating to pension plans and employee benefits | **11,297** | 11,912 |
| | **173,045** | 165,310 |

*Expenses relating to pension plans and employee benefits* include service costs for the period. Expected return on plan assets and interest costs are included in *interest income* and *interest expense* respectively.

The average number of employees (including executive directors) during 2024 and 2023 was 2,145 and 2,179, respectively. Part-time employees are included on a proportionate basis rather than being counted as full units. The employees were engaged in the following activities:

| | Year ended September 30, 2024 Number | 2023 Number |
|---|---|---|
| Manufacturing and services | **1,324** | 1,404 |
| Sales and marketing | **706** | 695 |
| Research and development | **115** | 80 |
| | **2,145** | 2,179 |

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

**8. Directors' emoluments**

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

| | Year ended September 30, 2024 | 2023 |
|---|---|---|
| Emoluments receivable | **1,417** | 1,093 |
| Employer contributions to money purchase schemes | **17** | 28 |
| | **1,434** | 1,121 |

The aggregate of emoluments and amounts receivable under long-term incentive schemes of the highest paid director was £714k (2023: £489k). At the year end three directors are members of the defined contributions pension scheme. None of the directors are active members of a defined benefit scheme. Share based payments are described in note 28. Three directors have qualifying services shares receivable from a long-term incentive scheme.

**9. Interest income and interest expense**

Interest expense is all for financial assets or liabilities which are not valued at fair value through the Statement of Income.

The total amounts of interest income and expense were as follows:

| | Year ended September 30, 2024 | 2023 |
|---|---|---|
| Interest income* | **16,472** | 12,861 |
| **Interest income, net** | **16,472** | 12,861 |
| Interest expense* | **(9,415)** | (9,381) |
| **Interest expense** | **(9,415)** | (9,381) |
| Interest income from pension plans and similar commitments | **143,509** | 153,301 |
| Interest expense from pension plans and similar commitments | **(135,812)** | (139,235) |
| **Interest income from pension plans and similar commitments** | **7,697** | 14,066 |
| Thereof: Interest expense of operations, net | **(286)** | (334) |
| Thereof: Other interest income, net | **7,343** | 3,814 |

*Interest in above table includes £1,723k (2023: £1,428k) interest received on finance leases and interest payable includes £4,470k (2023: £1,422k) interest on lease liabilities.

*Interest expense of operations, net* includes interest income and expense arising directly from operating activities primarily related to receivables from customers and payables to suppliers, interest on advances from customers and advanced financing of customer contracts. It also includes interest income and expense related to discounting of long-term provision. *Other interest income, net* includes all other interest amounts primarily consisting of interest relating to corporate debt as well as interest income on corporate assets.

Service cost for pension plans and similar commitments are allocated among functional costs (*Cost of sales*, *Research and development expenses*, *Marketing and distribution expenses and administrative expenses*).

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 10. Taxes

The analysis below is in reference to the total tax expense or credit included in the Statement of Income.

| | Year ended September 30, **2024** | 2023 |
|---|---|---|
| **Current tax:** | | |
| UK corporation tax | **4,353** | 5,489 |
| Adjustments for prior years | **(2,212)** | (7,903) |
| | **2,141** | (2,414) |
| **Deferred tax:** | | |
| Origination and reversal of temporary differences - current year | **1,812** | 6,606 |
| Origination and reversal of temporary differences - prior years | **744** | (700) |
| | **2,556** | 5,906 |
| **Tax expense** | **4,697** | 3,492 |
| Income tax expense in the Statement of Income is disclosed as follows: | | |
| Income tax expense on continuing operations | **4,697** | 3,492 |
| | **4,697** | 3,492 |

Of the deferred tax expense in 2024 and the deferred tax expense in 2023, £2,556k and £5,906k, respectively, relate to the origination and reversal of temporary differences.

For the years ended September 30, 2024, the Company was subject to UK corporation tax at a rate of 25% (September 30, 2023: 22%). The total tax expense or credit differs from the amounts computed by applying the statutory UK tax rate as follows:

| | Year ended September 30, **2024** | 2023 |
|---|---|---|
| Net income before tax (continuing operations) | **28,556** | 86,069 |
| Tax at 25% (2023: 22%) | **7,140** | 18,935 |
| Increase / (decrease) in income taxes resulting from: | | |
| Non-deductible losses and expenses | **(975)** | 195 |
| Tax-free gains from sales of business | **-** | (7,826) |
| Under / (over) provided in prior years - deferred tax | **744** | (700) |
| Over provided in prior years - current tax | **(2,212)** | (7,903) |
| Rate change adjustment difference between Corporation Tax and Deferred Tax rate | **-** | 791 |
| **Total income tax expense for the year** | **4,697** | 3,492 |

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

The Finance Act 2021 included an increase in the corporate tax rate to 25% effective from April 2023. The deferred tax assets and liabilities shown below have been measured at the enacted rate that is expected to apply when the asset is realised or the liability is settled.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Deferred tax assets and (liabilities) are summarised as follows:

| | Fixed assets | Intangible assets | Pensions | Other provisions | Total |
|---|---|---|---|---|---|
| **As at 1 October 2022** | **6,152** | **(1,839)** | **(65,428)** | **1,545** | **(59,570)** |
| (Charged) / credited to income statement | (1,474) | (727) | (3,843) | 138 | (5,906) |
| Credited to equity | - | - | 34,272 | 158 | 34,430 |
| **As at 1 October 2023** | **4,677** | **(2,565)** | **(34,999)** | **1,841** | **(31,046)** |
| (Charged) / credited to income statement | (1,704) | 1,195 | (2,258) | 211 | (2,556) |
| (Charged) / credited to equity | - | - | (27,023) | 371 | (26,652) |
| **As at 30 September 2024** | **2,973** | **(1,370)** | **(64,280)** | **2,423** | **(60,254)** |

Siemens AG as ultimate parent entity will have to apply the global minimum taxation rules starting in the fiscal year 2025 in Germany. The Company will have to apply the Qualified Domestic Minimum Top-Up Tax (QDMTT) of the UK starting with the year ended 30 September 2025. From an initial assessment performed by the group, it is not expected that any material current tax exposure will arise to the company in future periods.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 11. Trade and other receivables

| | September 30, 2024 | 2023 |
|---|---|---|
| Trade receivables from the sale of goods and services | **70,778** | 80,349 |
| Receivables from group companies | **363,556** | 355,540 |
| Receivables from finance leases with group companies | **9,059** | 7,563 |
| | **443,393** | 443,452 |

Trade receivables from the sales of goods and services include settlement discounts of £nil (2023: £8k).

As at September 30, 2024 *receivables from group companies* include a deposit of £280,000k (2023: £280,000k) with Siemens Finance B.V. Interest rates of which ranged from 4.87% to 5.53% during the financial year, with repayments due within 1 to 3 months.

Changes to the valuation allowance of current and long-term receivables presented in this note, which belong to the class of Financial assets and liabilities measured at amortised cost are as follows (excluding receivables from finance leases):

| | Year ended September 30, 2024 | 2023 |
|---|---|---|
| Valuation allowance as at beginning of the year | **1,425** | 1,254 |
| Creation | **2,459** | 3,417 |
| Usage | **(2,391)** | (2,079) |
| Reversal | **(146)** | (1,191) |
| Transfer (out) / in to group companies | **(84)** | 24 |
| **Valuation allowance as at end of the year** | **1,263** | 1,425 |

The ageing of trade receivables and the associated valuation allowance is as follows:

| | September 30, Gross 2024 | Allowance 2024 | September 30, Gross 2023 | Allowance 2023 |
|---|---|---|---|---|
| Current | **57,870** | **(233)** | 69,672 | (233) |
| 30 days overdue | **5,547** | **(8)** | 1,021 | (8) |
| 31 - 60 days overdue | **1,777** | **(3)** | 2,409 | (10) |
| 61 – 90 days overdue | **2,415** | **(2)** | 2,823 | (7) |
| 91+ days overdue | **4,432** | **(1,017)** | 5,849 | (1,167) |
| | **72,041** | **(1,263)** | 81,774 | (1,425) |

Receivables from finance leases are presented in the Statement of Financial Position as follows:

| | September 30, 2024 | 2023 |
|---|---|---|
| Receivables from finance leases with group companies, current | **9,059** | 7,563 |
| Receivables from finance leases with group companies, long-term portion (see note 19) | **27,658** | 23,332 |
| | **36,717** | 30,895 |
| Thereof: Land and buildings | **23,296** | 18,719 |
| Thereof: Technical machinery & equipment | **13,421** | 12,176 |

Finance lease receivables balance relates to land and buildings and fleet cars which are sub leased to other Siemens group companies, affiliates and third parties in the United Kingdom.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Company as a lessor - contractual undiscounted / minimum future lease payments received as follows:

| Year | 2024 |
|---|---|
| 2025 | **10,781** |
| 2026 | **9,596** |
| 2027 | **7,324** |
| 2028 | **3,208** |
| 2029 | **2,454** |
| Thereafter | **10,643** |
| Total | **44,006** |

The following table shows a reconciliation of undiscounted / minimum future lease payments to net investment in lease:

| | 2024 |
|---|---|
| Minimum future lease payments | **44,006** |
| Less: Unearned finance income | **(7,289)** |
| Net investment in lease | **36,717** |

The gross investment in leases and the present value of undiscounted / minimum future lease payments receivables are due as follows:

| | 2024 |
|---|---|
| Gross investment in leases | **44,006** |
| Within one year | 10,781 |
| One to five years | 22,582 |
| Thereafter | 10,643 |
| Minimum discounted future lease payments | **36,717** |
| Within one year | 9,059 |
| One to five years | 18,548 |
| Thereafter | 9,110 |

**12. Other current financial assets**

| | September 30, 2024 | 2023 |
|---|---|---|
| Derivative financial instruments | **263** | 92 |
| Other current financial assets | **1,050** | 3,306 |
| | **1,313** | 3,398 |

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 13. Contract assets and liabilities

| | September 30, 2024 | 2023 |
|---|---|---|
| Contract assets | **39,926** | 41,586 |
| Contract liabilities | **28,875** | 22,814 |
| Contract assets to be settled after twelve months | **12,090** | 11,423 |
| Contract liabilities to be settled after twelve months | **6,525** | 4,249 |

In financial year 2024, revenue includes £11,930k which was included in contract liabilities at the beginning of the fiscal year (2023: £8,331k).

## 14. Inventories

| | September 30, 2024 | 2023 |
|---|---|---|
| Raw materials and supplies | **26,370** | 29,436 |
| Work in progress | **1,760** | 1,527 |
| Costs of unbilled contracts | **4,538** | 5,976 |
| Finished goods and products held for resale | **4,751** | 3,417 |
| | **37,419** | 40,356 |

Cost of sales include inventories recognised as an expense amounting to £408,737k and £504,999k, respectively, in financial year 2024 and 2023.

During the reporting period, the Company recognised provisions for inventory reserves amounting to £449k (2023: £3,080k). These reserves were established to account for potential losses due to inventory obsolescence, surplus inventory, damage, and other factors. Inventory reserves are recognised as an expense and included in 'Cost of sales' in the statement of income.

## 15. Other current assets

| | September 30, 2024 | 2023 |
|---|---|---|
| Prepaid expenses | **3,652** | 3,106 |
| Other | **529** | 945 |
| | **4,181** | 4,051 |

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 16. Goodwill

| | | September 30, |
|---|---|---|
| | **2024** | 2023 |
| **Cost** | | |
| Balance at beginning of year | **216,661** | 214,471 |
| Acquisitions through business combinations | **-** | 2,190 |
| Balance at end of year | **216,661** | 216,661 |
| **Accumulated impairment losses** | | |
| Balance at beginning of year | **(66,069)** | (66,069) |
| Balance at end of year | **(66,069)** | (66,069) |
| **Net book value** | | |
| Balance at beginning of year | **150,592** | 148,402 |
| Balance at end of year | **150,592** | 150,592 |

For further information on acquisitions and disposals, see note 3.

**Impairment of Goodwill**

The carrying amount of goodwill across the various divisions as well as the impairment review process is detailed below:

| | | September 30, |
|---|---|---|
| | **2024** | 2023 |
| Smart Infrastructure | **147,478** | 147,478 |
| Digital Industries | **3,114** | 3,114 |
| Balance at end of year | **150,592** | 150,592 |

The Company conducted its mandatory annual impairment test during the last three months of the financial year ending on 30 September 2024 in accordance with the accounting policy stated in note 2. The recoverable amounts for all operating segments were estimated to be higher than the carrying amounts.

Key assumptions on which management has based its determinations of the value in use for the divisions' carrying amount include:

- Terminal value growth rates
- Pre-tax / After-tax discount rates
- Cash flow projections (more specifically, forecast revenue growth)

Where possible, reference to market prices is made.

For the purpose of estimating the recoverable amount of the divisions, cash flows were projected for the next five years based on past experience, actual operating results and management's best estimate about future developments as well as market assumptions. The value in use is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on cash-flow projections and discount rate. Both assumptions are determined individually for each division or equivalent. Discount rates reflect the current market assessment of the risks specific to each division and are based on the weighted average cost of capital for the divisions. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

Management considers that no reasonable possible change in the key assumptions applied would cause an impairment.

**FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)**

Rates for each division are provided below:

| | **2024** | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Pre-tax discount rate | After-tax discount rate | Terminal growth rate | Pre-tax discount rate | After-tax discount rate | Terminal growth rate |
| Smart Infrastructure | **11.9%** | **9.0%** | **1.8%** | 11.9% | 8.9% | 1.8% |
| Digital Industries | **13.6%** | **10.2%** | **1.8%** | 13.3% | 10.0% | 1.8% |

**Sensitivity to change in assumptions**

***Smart Infrastructure***: One of the key assumptions in the value in use calculation is the discount rate used. The discount rate used was a pre-tax weighted average cost of capital of 11.9%. An impairment would be recognised if the discount rate applied, increased beyond 13.9%.

The other key assumption is the cash flow projection, and more specifically, forecast revenue growth. In order for an impairment to be recognised, forecast revenues would need to be more than 7.8% lower every year relative to the forecasts in the current calculation.

***Digital Industries***: One of the key assumptions in the value in use calculation is the discount rate used. The discount rate used was a pre-tax weighted average cost of capital of 13.6%. An impairment would be recognised if the discount rate applied, increased beyond 25%.

The other key assumption is the cash flow projection, and more specifically, forecast revenue growth. In order for an impairment to be recognised, forecast revenues would need to be more than 15.8% lower every year relative to the forecasts in the current calculation.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

**17. Other intangible assets**

| | Development cost | Software | Patents, licenses & similar rights | Other | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At October 1, 2022 | 112 | 28,162 | 3,809 | 10,000 | 42,083 |
| Additions | - | 5,656 | - | - | 5,656 |
| Retirements | - | (40) | (78) | - | (118) |
| At September 30, 2023 | 112 | 33,778 | 3,731 | 10,000 | 47,621 |
| **At October 1, 2023** | **112** | **33,778** | **3,731** | **10,000** | **47,621** |
| Additions | **-** | **2,665** | **2** | **-** | **2,667** |
| Retirements | **(8)** | **(7,603)** | **(331)** | **-** | **(7,942)** |
| **At September 30, 2024** | **104** | **28,840** | **3,402** | **10,000** | **42,346** |
| **Accumulated amortisation** | | | | | |
| At October 1, 2022 | 112 | 20,718 | 3,809 | - | 24,639 |
| Charge for the year | - | 2,747 | - | - | 2,747 |
| Retirements | - | (40) | (78) | - | (118) |
| At September 30, 2023 | 112 | 23,425 | 3,731 | - | 27,268 |
| **At October 1, 2023** | **112** | **23,425** | **3,731** | **-** | **27,268** |
| Charge for the year | **-** | **3,916** | **-** | **-** | **3,916** |
| Retirements | **(8)** | **(4,072)** | **(331)** | **-** | **(4,411)** |
| **At September 30, 2024** | **104** | **23,269** | **3,400** | **-** | **26,773** |
| **Net book value** | | | | | |
| At October 1, 2022 | - | 7,444 | - | 10,000 | 17,444 |
| At September 30, 2023 and October 1, 2023 | - | 10,353 | - | 10,000 | 20,353 |
| **At September 30, 2024** | **-** | **5,571** | **2** | **10,000** | **15,573** |

Amortisation expense on intangible assets is included in *Cost of sales, Research and development expenses or Marketing, selling and general administrative expenses*, depending on the use of the asset.

The development cost relates to the development of data storage for metering within the Smart Infrastructure business. This development project is in full operational use and its expected useful life is 4 years.

Other intangible assets have arisen due to business integrations of other Siemens group companies into Siemens plc.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 18. Property, plant and equipment

| | Land & buildings | Technical machinery & equipment | Furniture & office equipment | Construction in progress | Total property, plant & equipment |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At October 1, 2022 | 56,788 | 41,000 | 55,839 | 101 | 153,728 |
| Additions | 208 | 8,797 | 3,575 | 1,095 | 13,675 |
| Disposals | (10,425) | (4,647) | (1,828) | - | (16,900) |
| Transfers to / from group companies | - | (5) | 49 | - | 44 |
| Reclassification of assets | - | 881 | (794) | (87) | - |
| Reclassifications to assets held for disposal | - | (734) | (168) | - | (902) |
| At September 30, 2023 | 46,571 | 45,292 | 56,673 | 1,109 | 149,645 |
| **At October 1, 2023** | **46,571** | **45,292** | **56,673** | **1,109** | **149,645** |
| Additions | **13,954** | **8,789** | **1,594** | **4,561** | **28,898** |
| Disposals | **(21,726)** | **(8,919)** | **(1,704)** | **-** | **(32,349)** |
| Transfers to /from group companies | **-** | **202** | **(7)** | **-** | **195** |
| Reclassification of asset | **231** | **-** | **440** | **(666)** | **5** |
| **At September 30, 2024** | **39,030** | **45,364** | **56,996** | **5,004** | **146,394** |
| **Accumulated depreciation and impairment** | | | | | |
| At October 1, 2022 | 31,244 | 30,250 | 46,121 | - | 107,615 |
| Charge for the year | 3,489 | 4,798 | 4,021 | - | 12,308 |
| Disposals | (5,570) | (3,037) | (1,819) | - | (10,426) |
| Transfers to / from group companies | - | (5) | 18 | - | 13 |
| Reclassification of asset | - | 43 | (43) | - | - |
| Reclassifications to assets held for disposal | - | (694) | (156) | - | (850) |
| At September 30, 2023 | 29,163 | 31,355 | 48,142 | - | 108,660 |
| **At October 1, 2023** | **29,163** | **31,355** | **48,142** | **-** | **108,660** |
| Charge for the year | **3,240** | **5,291** | **3,418** | **-** | **11,949** |
| Disposals | **(13,470)** | **(8,063)** | **(1,700)** | **-** | **(23,233)** |
| Transfers to / from group companies | **-** | **93** | **(2)** | **-** | **91** |
| Impairment | **5** | **-** | **-** | **-** | **5** |
| **At September 30, 2024** | **18,938** | **28,676** | **49,858** | **-** | **97,472** |
| **Net book value** | | | | | |
| At October 1, 2022 | 25,544 | 10,750 | 9,718 | 101 | 46,113 |
| At September 30, 2023 | 17,407 | 13,936 | 8,533 | 1,110 | 40,985 |
| **At September 30, 2024** | **20,092** | **16,688** | **7,138** | **5,004** | **48,922** |

Included in the above table are the below right of use assets -

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

| | Land & buildings | Technical machinery & equipment | Total property, plant & equipment |
|---|---|---|---|
| **Cost** | | | |
| At October 1, 2022 | **6,529** | **15,751** | **22,280** |
| Additions | 208 | 5,344 | 5,552 |
| Disposal | (1,016) | (4,465) | (5,481) |
| **At September 30, 2023** | **5,721** | **16,630** | **22,351** |
| **At October 1, 2023** | **5,721** | **16,630** | **22,351** |
| Additions | 14,498 | 6,855 | 21,353 |
| Disposal | (766) | (6,933) | (7,699) |
| **At September 30, 2024** | **19,453** | **16,552** | **36,005** |
| **Accumulated depreciation** | | | |
| **At October 1, 2022** | **2,931** | **8,006** | **10,937** |
| Charge for the year | 1,122 | 4,017 | 5,139 |
| Disposals | (1,011) | (2,700) | (3,711) |
| **At September 30, 2023** | **3,042** | **9,323** | **12,365** |
| **At October 1, 2023** | **3,042** | **9,323** | **12,365** |
| Charge for the year | 1,097 | 4,171 | 5,268 |
| Disposals | - | (6,045) | (6,045) |
| **At September 30, 2024** | **4,139** | **7,449** | **11,588** |
| **Net Book value** | | | |
| At October 1, 2022 | 3,598 | 7,745 | 11,343 |
| At September 30, 2023 | 2,679 | 7,307 | 9,986 |
| **At September 30, 2024** | **15,314** | **9,103** | **24,417** |

The amount of borrowing costs capitalised in the year is £nil (2023: £nil). Borrowing costs relate to capitalised borrowing costs directly attributable to the costs of an asset where the borrowing costs have commenced on or after October 1, 2012 (see note 2).

As of September 30, 2024 contractual commitments for the purchase of plant, property and equipment amount to £30k (2023: £429k).

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 19. Other receivables

| | September 30, 2024 | 2023 |
|---|---|---|
| Receivables from finance leases | **27,658** | 23,332 |
| Other financial assets | **3** | 3 |
| | **27,661** | 23,335 |

## 20. Other current financial liabilities

| | September 30, 2024 | 2023 |
|---|---|---|
| Derivative financial instruments | **183** | 37 |
| Other financial liabilities | **1,042** | 1,875 |
| | **1,225** | 1,912 |

## 21. Trade payables

| | September 30, 2024 | 2023 |
|---|---|---|
| Trade and other payables | **46,750** | 72,632 |
| Amounts due to group companies | **7,688** | 5,862 |
| | **54,438** | 78,494 |

Amounts due to group companies are repayable on demand.

## 22. Other current liabilities

| | September 30, 2024 | 2023 |
|---|---|---|
| Payroll and social security taxes | **6,611** | 7,752 |
| Bonus obligations | **16,335** | 17,419 |
| Other employee related costs | **2,086** | 2,231 |
| Other tax liabilities | **10,060** | 9,064 |
| Deferred income | **3,844** | 4,813 |
| Other accrued liabilities | **17,086** | 19,865 |
| | **56,022** | 61,144 |

Other employee related costs primarily include vacation payments, accrued overtime and service anniversary awards.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 23. Borrowings and lease liabilities

| | September 30, 2024 | 2023 |
|---|---|---|
| **Current borrowings and lease liabilities** | | |
| Short-term debt | **17,937** | 18,644 |
| Lease liabilities (less than 1 year) | **16,705** | 14,777 |
| | **34,642** | 33,421 |
| **Non-current borrowings and lease liabilities** | | |
| Long-term loan from group company | **162,364** | 178,375 |
| Lease liabilities (more than 1 year) | **49,007** | 29,058 |
| | **211,371** | 207,433 |

Short-term debt and Long-term loan from group company above include a long-term loan held with Siemens Holdings plc. The amount outstanding is £178,375k (2023: £193,878k) with a remaining term of 106 months and a fixed rate of 3.6029% per annum. The current portion of this loan, included in short-term debt is £16,011k (2023: £15,503k), which represents the capital repayment due within the next 12 month period.

The following table shows the discounted lease liabilities with movements during the period and a maturity analysis of the contractual un-discounted lease payments:

| | 2024 | 2023 |
|---|---|---|
| Balance at the beginning of the year | **43,835** | 46,381 |
| Additions | **37,168** | 12,103 |
| Accretion of interest | **4,470** | 1,422 |
| Payments | **(19,761)** | (16,071) |
| Balance at the end of the year | **65,712** | 43,835 |
| Split as: | | |
| Current | **16,705** | 14,777 |
| Non-current | **49,007** | 29,058 |

Maturity analysis - contractual undiscounted cash flows payable:

| Year | 2024 | 2023 |
|---|---|---|
| One year | **17,857** | 16,413 |
| Two years | **16,849** | 11,950 |
| Three years | **12,599** | 8,852 |
| Four years | **7,645** | 5,015 |
| Five years | **4,541** | 1,099 |
| Thereafter | **17,094** | 6,404 |

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Amounts recognised in income statement:

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Depreciation expenses of right of use assets | **5,268** | 5,139 |
| Interest on lease liabilities | **4,470** | 1,422 |
| Expenses relating to short term leases | **662** | 583 |
| Expenses relating to low value assets | **930** | 847 |

Total cash outflow for leases:

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Total paid | **(19,761)** | (16,071) |

Contractual obligations

The Company has no lease contracts that have not yet commenced as at September, 30, 2024. The future lease payment obligations for these non-cancellable signed lease contracts amounted to £nil.

**Company as a lessor**

Amounts recognised in income statement:

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Interest income | **1,723** | 1,428 |

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

**24. Post-employment benefits**

Post-employment benefits provided by the Company are organised through defined benefit plans, a defined contribution plan and a redundancy compensation post-employment arrangement.

In the year the Company participated in two defined benefit plans, one defined contribution plan and one annual compensation arrangement.

**Siemens Benefits Scheme**

***Defined benefit plan***

Siemens Benefits Scheme ("Scheme") is a defined benefit scheme with assets held in separate trustee administrated funds. The amount of contributions to be paid is determined jointly by the employer and the trustees of the Scheme based on the funding levels. Assets held in trust are governed by UK regulations and practice. The Scheme's investment strategy is decided by the trustees, in consultation with the employer. The board of trustees must be composed of representatives of the employer and Scheme participants in accordance with the Scheme's legal documentation. The Company is one of a number of companies that participate in this Scheme, which provides benefits based on final pensionable pay.

All members and their respective defined benefit obligations are allocated to individual participating employers, and assets are allocated on a similar basis. These allocations allow net defined benefit costs to be charged to each company. Contributions for ongoing accrual in respect of active members are based on each company's payroll, whilst the distribution of deficit and lump sum payments is the responsibility of the principal and main participating employers.

The Company's share of the Scheme is analysed below:

***Movement in the Company's share of the net amount recognised of the Scheme recognised in the Statement of Financial Position:***

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Company's share of the net amount recognised of the Scheme at beginning of year | **140,607** | 261,711 |
| Defined benefit cost recognised in the Statement of Income: | | |
| Current service cost | **-** | (104) |
| Other finance income | **7,728** | 14,066 |
| Contributions paid charged to Statement of Cash Flows | **1,311** | 1,491 |
| Remeasurements included in Statement of Comprehensive Income | **108,088** | (136,557) |
| Company's share of the net amount recognised of the Scheme at end of year | **257,734** | 140,607 |

The disclosures which follow are for the Siemens Benefits Scheme as a whole, except where otherwise stated.

The numbers shown in this disclosure have been based on calculations carried out by a qualified independent actuary to take account of the requirements of IAS 19 in order to assess the liabilities of the Scheme at September 30, 2024. The Scheme's assets are stated at their market values at September 30, 2024.

The Group Scheme covers 27,589 participants, including 580 active employees, 13,381 former employees with vested benefits and 13,628 retirees and surviving dependents. Of these, there are 24,864 Siemens plc participants of which 448 are active employees, 12,105 former employees with vested benefits and 12,311 retirees and surviving dependents.

The valuation used for IAS 19 disclosures has been based on a full assessment of the liabilities of the Siemens Benefits Scheme as at September 30, 2024. The present values of the defined benefit obligation ("DBO"), the related current service cost and any past service costs were measured using the projected unit credit method.

The Scheme is now closed. The salary linkage ceased for continuing members on January 1, 2023 and the last remaining members stopped accruing defined benefits in the scheme on June 30, 2023.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

***Reconciliation of Net Pension Asset to Statement of Financial Position:***

| | September 30, 2024 | 2023 |
|---|---|---|
| Fair value of Scheme assets | **2,998,974** | 2,830,823 |
| Present value of funded defined benefit obligations | **(2,739,777)** | (2,699,458) |
| Net Pension Asset recognised in the companies' Statement of Financial Position | **259,197** | 131,365 |

The element of the above Net Pension Asset recognised in the Company's Statement of Financial Position is £257,734k (2023: £140,607k).

***Changes to the present value of the defined benefit obligation during the year:***

| | September 30, 2024 | 2023 |
|---|---|---|
| Defined benefit obligation at beginning of year | **2,699,458** | 2,986,793 |
| Current service cost | **-** | 104 |
| Interest expense | **146,570** | 150,413 |
| Remeasurements: | | |
| Remeasurement gains from changes in demographic assumptions | **(44,311)** | (51,701) |
| Remeasurement losses / (gains) from changes in financial assumptions | **104,014** | (308,519) |
| Experience (gains) / losses | **(19,164)** | 62,718 |
| Scheme participants' contributions | **6,563** | 1,164 |
| Benefits paid | **(153,353)** | (141,514) |
| Defined benefit obligation at end of year | **2,739,777** | 2,699,458 |

The Company's defined benefit obligation at the end of the year was £2,538,354k (2023: £2,500,685k).

The total DBO at the end of the year 2024 includes £94,007k for active employees (2023: £136,352k), £939,497k for former employees with vested benefits (2023: £969,560k) and £1,706,273k for retirees and surviving dependents (2023: £1,593,546k).

The weighted average duration of the DBO was 12.2 years (2023: 12.0 years).

***Changes to the fair value of Scheme assets during the year:***

| | September 30, 2024 | 2023 |
|---|---|---|
| Fair value of Scheme assets at beginning of year | **2,830,823** | 3,252,128 |
| Interest income | **153,773** | 164,666 |
| Remeasurements: | | |
| Return / (Losses) on Scheme assets excluding amounts included in interest income and interest expense | **159,857** | (447,112) |
| Employer contributions | **1,311** | 1,491 |
| Scheme participants' contributions | **6,563** | 1,164 |
| Benefits paid | **(153,353)** | (141,514) |
| Fair value of Scheme assets at end of year | **2,998,974** | 2,830,823 |

The Company's scheme assets had a fair value of £2,796,088k (2023: £2,641,292k) at the year end date.

***Actuarial assumptions:***

The main assumptions used by the independent qualified actuaries to calculate the liabilities under IAS 19 are set out below.

The assumptions used for the calculation of the DBO as of the period-end of the preceding year are used to determine the calculation of service cost and interest income and interest expense of the following year. The interest income and interest expense for the year will be based on the discount rate at the beginning of the respective year multiplied by the net of the fair value of

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Scheme assets and the DBO at the preceding year's period-end date. The fair value of Scheme assets and DBO, and thus the interest income on Scheme assets and the interest expense on DBO, are adjusted for significant events after the year end, such as a supplemental funding, Scheme changes or business combinations and disposals.

Assumed discount rates, compensation increase rates, pension progression rates used in calculating the DBO vary according to the economic conditions.

***Main financial assumptions:***

| | Year ended September 30, | |
|---|---|---|
| | **2024** | 2023 |
| | **% p.a.** | % p.a. |
| Discount rate for Scheme liabilities | **5.04** | 5.48 |
| Inflation (RPI) | **3.00** | 3.20 |
| Inflation (CPI) | **2.40** | 2.50 |
| Rate of increase of pensions in deferment | **2.40** | 2.50 |
| Rate of increase to pensions in payment* | **2.80** | 3.00 |

*This refers to inflation capped at 5%, the scheme does have other rates of increase, but this is the most common

***Mortality assumptions:***

The post-retirement mortality assumptions used in valuing the liabilities of the scheme are based on 98% (2023: 99%) of the standard SAPS S3 "All lives" table for male members and 98% (2023: 99%) of the standard S3 "Middle lives" table for female members. In addition, there is an allowance for future longevity improvements in line with the core CMI2023 model (2023: CMI2022 model) with an 'A' parameter of 0.5% p.a. (2023: 0.5% p.a.) and a long term rate of improvement of 1.25% p.a (2023: 1.25% p.a).

The table below provides illustrative life expectancies from age 65 for members aged 45 and 65 at the year end.

<u>Life expectancy from age 65:</u>

| | Year ended September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Male aged 45 | **23.3** | 23.3 |
| Male aged 65 | **22.1** | 22.0 |
| Female aged 45 | **25.5** | 25.3 |
| Female aged 65 | **24.0** | 23.9 |

***Sensitivity analysis:***

A one-half-percentage-point change of the established assumptions mentioned before, used for the calculation of the DBO as of September 30, 2024, would result in the following increase (decrease) of the DBO:

| | Effect on DBO as of September 30, 2024 due to | |
|---|---|---|
| | **One-half % Increase** | **One-half % Decrease** |
| Discount rate | **(153,687)** | **163,552** |
| Rate of pension progression | **130,556** | **(123,813)** |

In order to determine the longevity risk, the mortality rates were reduced by 10% for all beneficiaries. The impact would result in the following increases:

| | |
|---|---|
| Increase in life expectancy of a male employee aged 55 years | **+0.9 years** |
| Impact on DBO | **£74,047** |

When calculating the sensitivity of the DBO to significant actuarial assumptions the same method (present value of the DBO calculated with the projected unit credit method) has been applied as when calculating the pension obligation recognised in the Statement of Financial Position. Increases and decreases in the discount rate, rate of compensation increase and rate of pension progression which are used in determining the DBO do not have a symmetrical effect on the DBO primarily due to the compound interest effect created when determining the net present value of the future benefit. If more than one of the assumptions were changed simultaneously, the cumulative impact would not necessarily be the same as if only one assumption was changed individually. Furthermore, the sensitivities reflect a change in the DBO only for a change in the assumptions in this exact magnitude, i.e. 0.5%. If the assumptions change at a different level, the effect on the DBO is not necessarily linear.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

There were no changes in the methods used in preparing the sensitivity analyses.

***Disaggregation of Scheme assets:***

The asset allocation of the Scheme is as follows:

| | **September 30, 2024** | | | September 30, 2023 | | |
|---|---|---|---|---|---|---|
| **Asset Class** | **Quoted market price in active market** | **No quoted market price in active market** | **Total** | Quoted market price in active market | No quoted market price in active market | Total |
| Equity securities: | | | | | | |
| *International equities* | **223,610** | **-** | **223,610** | 174,374 | - | 174,374 |
| | **223,610** | **-** | **223,610** | 174,374 | - | 174,374 |
| Fixed income securities: | | | | | | |
| *Government bonds* | **929,703** | **-** | **929,703** | 765,581 | - | 765,581 |
| *Corporate bonds* | **176,251** | **-** | **176,251** | 170,446 | - | 170,446 |
| *Special purpose vehicle* | **-** | **239,300** | **239,300** | - | 250,700 | 250,700 |
| | **1,105,954** | **239,300** | **1,345,254** | 936,027 | 250,700 | 1,186,727 |
| Alternative investments: | | | | | | |
| *Real estate* | **-** | **22,097** | **22,097** | - | 21,126 | 21,126 |
| | **-** | **22,097** | **22,097** | - | 21,126 | 21,126 |
| Multi strategy funds | **299,787** | **-** | **299,787** | 269,020 | - | 269,020 |
| Derivatives: | | | | | | |
| *Interest risk* | **-** | **(2,522)** | **(2,522)** | - | (9,510) | (9,510) |
| *Credit, Inflation and Price risk* | **-** | **2,515** | **2,515** | - | 7,254 | 7,254 |
| | **-** | **(7)** | **(7)** | - | (2,256) | (2,256) |
| Cash and other assets (including insurance contracts) | **22,504** | **1,085,729** | **1,108,233** | 56,128 | 1,125,704 | 1,181,832 |
| **Total** | **1,651,855** | **1,347,119** | **2,998,974** | 1,435,549 | 1,395,274 | 2,830,823 |

The Scheme assets do not include any transferable financial instruments of the Company or property occupied by the Company.

The trustee of the Scheme has produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. This statement sets out the trustee's investment objectives and strategy. The trustee sets investment strategy taking into account the Scheme's liabilities, the strength of the funding position and the trustee's appetite to risk, after taking appropriate investment advice. The trustee has allocated the Scheme's assets to a mix of asset classes, primarily bonds (fixed and index-linked gilts and other non-gilt bonds), but also other investments including (but not limited to) a special purpose vehicle investment, qualifying insurance policies, equities, infrastructure and real estate. Derivative contracts are used to manage a portion of the interest rate and inflation exposure of the liabilities.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Where possible, values of plan assets are derived from observable market prices at the relevant date, or the fund price at the relevant date in the case of pooled investment vehicles.

Real estate investments are assessed by suitably qualified experts at the relevant date and valuations are based on their advice.

Insurance contracts are valued in line with the underlying liabilities which have been insured in the contract. Key assumptions and sensitivities are as for the liabilities, as described in the section on "Main financial assumptions" above.

The Special Purpose Vehicle is a limited partner investment in a Scottish Limited Partnership ("SLP"), the SBS Pension Funding (Scotland) Limited Partnership. The general partner is Siemens Pension Funding (General) Limited which is a wholly owned subsidiary of Siemens Holdings plc. Another Siemens Group company, Siemens Pension Funding Limited is the other limited partner. The principal asset of the SLP is a loan to Siemens Finance B.V. The loan is governed by German law. The interest payments on the loan are used to make half-yearly payments to the Scheme which will continue until 29 July 2033.

Aon Solutions UK Limited perform a valuation of the partnership interest at the year end for financial statements purposes. The valuation is based on the net present value of the coupon receipts, discounted for UK government gilts, adjusted by a risk premium related to Siemens plc and an illiquidity premium reflective of the fact that this is not an open market instrument, and uses a stochastic model to estimate the likely final receipt by modelling the probability of relevant scenarios.

Sensitivity to the most important assumption, the risk premium, is illustrated in the following table:

| | **Valuation** |
|---|---:|
| Risk premium | **239,300** |
| -0.5% p.a. | **+2,400** |
| +0.5% p.a. | **-2,300** |

***Future cash flows:***

Employer contributions expected to be paid to the Scheme in 2025 are £1,350k of which employer deficit funding contributions are £nil.

Under the Pension Act 2004, every UK defined benefit scheme is subject to a statutory funding objective which requires the scheme to hold sufficient and appropriate assets to cover it's "technical provisions". These provisions are determined at least every three years following agreement between the Company and the trustees of the scheme upon the assumptions to be used in the valuation. Assumptions agreed in this triennial process are not necessarily the same as those used in the annual IAS 19 calculations, where the Directors of the Company select the assumptions to be used.

Any technical provisions' shortfall arising is required to be remedied, and a recovery plan is agreed between the trustees and the Company, which will take into account financial and demographic factors for each scheme, as well as the financial strength (covenant) of participating employers. The timing and length of any recovery plan reflects the circumstances of each scheme, and results in a Schedule of Contributions which is signed by both Company and trustees (the employer contributions expected to be paid for the following year are stated above).

The effective date of the most recent triennial valuation for the Siemens Benefit Scheme was September 30, 2023.

***Expected pension benefit payments:***

| | **Year ended September 30,** |
|---|---:|
| 2025 | **153,206** |
| 2026 | **146,022** |
| 2027 | **153,304** |
| 2028 | **160,498** |
| 2029 | **163,555** |
| 2030-2034 | **880,248** |

***Siemens Electric Plan Section of the Mercer DB Master Trust***

***Defined benefit plan***

The company has a section in the Mercer DB Master Trust for 3 members.

For the year ending September 30, 2024 the pension scheme surplus of £8k (2023: £16k) is carried on the Statement of Financial Position.

The defined benefit cost recognised in the Statement of Income is £36k (2023: £10k).

The remeasurements gain recognised in the Statement of Comprehensive Income is £5k (2023: £1k).

The employer contributions paid into the plan in the year were £22k (2023: £25k) .

***Annual Compensation Payments***

The company reports a redundancy compensation post-employment arrangement for 6 former employees.

For the year ending September 30, 2024 the liability of £623k (2023: £628k) is carried on the Statement of Financial Position.

The defined benefit cost recognised in the Statement of Income is £33k (2023: £134k) .

The remeasurement loss recognised in the Statement of Comprehensive Income is £nil (2023: £529k) .

The benefits paid in the year were £38k (2023: £35k).

***Defined contribution plan***

The Company participates in a defined contribution pension plan. The pension cost charge for the period represents contributions payable by the Company to the Scheme and amounted to £11,259k (2023: £11,664k).

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 25. Provisions

Provisions changed during 2024 as follows:

| | Warranties | Order related losses and risks | Asset retirement obligations | Other | Total |
|---|---|---|---|---|---|
| Balance at beginning of year | 3,647 | 25 | 442 | 2,755 | 6,869 |
| Additions | 2,699 | 407 | 146 | 1,605 | 4,857 |
| Usage | (282) | - | - | (217) | (499) |
| Reversals | (3,583) | (111) | (282) | (1,797) | (5,773) |
| Transfers (to)/from group companies | (59) | - | 250 | 1 | 192 |
| **Balance at end of year** | **2,422** | **321** | **556** | **2,347** | **5,646** |
| Current provisions | **1,288** | **321** | **556** | **1,137** | **3,302** |
| Non-current provisions | **1,134** | **-** | **-** | **1,210** | **2,344** |

*Warranties*

Warranties relate to products and services sold and are expected to unwind over the next three financial years.

*Order related losses and risks*

Provisions for order related losses and risks are recognised for anticipated losses on uncompleted construction, sales and other contracts.

*Asset retirement obligation*

Provisions for asset retirement obligations are the aggregate of the estimated discounted cash flows of obligations associated with the retirement of tangible long-lived assets.

*Other provisions*

Other provisions are estimated obligations for the dilapidations for the leased properties and legal matters.

## 26. Share capital

**Allotted, called up and fully paid:**

| | September 30, 2024 | 2023 |
|---|---|---|
| 1,000,000 (2023: 1,000,000) Ordinary Shares of £1 each | **1,000** | 1,000 |

## 27. Commitments and contingencies

*Guarantees and other commitments*

The Company issued guarantees or indemnified the issuers of performance bonds in respect of contractual obligations totalling £10,319k (2023: £17,723k). These agreements have terms typically ranging between 1 and 5 years.

Included in the 2024 figure is £10,319k in relation to businesses which have previously been disposed of where the guarantee has not yet been novated (2023: £17,723k). The Company has indemnities in place to cover these guarantees.

*Contingent liabilities*

As of September 30, 2024 and 2023 there were no contingent liabilities to disclose.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 28. Share-based payments

Share-based payment awards may be settled in newly issued shares of capital stock of Siemens AG, in treasury shares or in cash. Share-based payment awards may forfeit if the employment of the beneficiary terminates prior to the expiration of the vesting period. Total pre tax expense for share-based payment recognised in Siemens plc net income amounted to £1,612k and £1,206k for the year ended September 30, 2024 and 2023 respectively, and refers primarily to equity-settled awards.

***Stock awards***

Stock awards granted by Siemens are distinguished between a) subject to performance conditions and b) no performance conditions. Stock awards entitle the beneficiaries to Siemens shares without payment of consideration at the end of the respective vesting period.

a) Stock awards subject to performance conditions

The Company grants stock awards subject to performance conditions to members of the Managing Board, members of the senior management and other eligible employees. The vesting period for awards granted to members of the senior management and other eligible employees is three years respectively four years for awards granted prior to fiscal 2022. Awards granted to members of the Managing Board are subject to a four year vesting period.

For stock awards subject to performance conditions, 80% of the target amount is linked to the relative total shareholder return of Siemens compared to the total shareholder return of the MSCI World Industrials sector index (TSR-Target); the remaining 20% are linked to a Siemens internal sustainability target considering environmental, social and governance targets (ESG-Target). The annual target amount for stock awards up to and including tranche 2019 is linked to the share price performance of Siemens relative to the share price performance of five important competitors. The target attainment for each individual performance criteria ranges between 0% and 200%. Settlement of the awards is in shares corresponding to the actual target attainment.

b) Stock awards not subject to performance conditions

Each quarter, the Company grants stock awards not subject to performance conditions to selected employees. The awards are subject to a ratable vesting period of one to four years, i.e. 25% of the number of awards granted are transferred each year.

In the year ended September 30, 2024 Siemens AG granted 23,313 (2023: 21,761) stock awards to 264 (2023: 188) UK employees. Details on stock award activity and weighted average grant-date fair value are summarised in the table below:

| | **Year ended September 30,** | | **Year ended September 30,** | |
|---|---|---|---|---|
| | **Awards** | **Weighted average grant-date fair value (€)** | Awards | Weighted average grant-date fair value (€) |
| | **2024** | **2024** | 2023 | 2023 |
| Non-vested, beginning of period | **65,011** | **70.63** | 73,180 | 59.63 |
| Granted | **23,313** | **99.40** | 21,761 | 80.42 |
| Vested | **(13,141)** | **58.55** | (9,285) | 50.89 |
| Forfeited | **(8,644)** | **89.79** | (19,644) | 81.36 |
| Merger | **-** | **-** | (1,001) | 60.91 |
| Non-vested, end of period | **66,539** | **82.51** | 65,011 | 70.63 |
| Weighted average vesting period (in years) | | 0.68 | | 1.18 |

Fair value was determined as the market price of Siemens shares less the present value of dividends expected during the four year or three year vesting period. Total fair value of stock awards granted in 2024 and 2023 amounted to €2,317k and €1,750k respectively.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

***Share-matching program and its underlying plan***

In year 2024, Siemens issued a new tranche under each of the plans of the Share Matching Program.

**Share - matching plan**

Under the Share Matching Plan senior managers may invest a specified part of their variable compensation in Siemens shares (investment shares). The shares are purchased at the market price at a predetermined date in the second quarter. Plan participants receive the right to one Siemens share without payment of consideration (matching share) for every three investment shares continuously held over a period of about three years (vesting period) provided the plan participant has been continuously employed by Siemens until the end of the vesting period.

**Monthly Investment Plan**

Under the Monthly Investment Plan employees other than senior managers may invest a specified part of their compensation in Siemens shares on a monthly basis over a period of twelve months. Shares are purchased at market price at a predetermined date once a month. If the Managing Board decides that shares acquired under the Monthly Investment Plan are transferred to the Share Matching Plan, plan participants will receive the right to matching shares under the same conditions applying to the Share Matching Plan described above.

***Share Incentive Plan***

Siemens Share Incentive Plan was introduced in financial year 2019 for the UK employees. The concept was similar to the Share Matching Program whereby if you buy three shares in Siemens AG, you get an additional free matching share. It was a tax advantaged share ownership program designed to encourage employee share ownership in the UK. The maximum investment amount was £1,800 or 10% of your annual salary (if this was lower). Matching shares were allocated together with the acquisition of investment shares. If the investment shares and the matching shares were held for another two years in addition to a three year vesting period (five years in total), these were free of income tax and NIC when withdrawn from the plan. The Share Incentive Plan finished in February 2023.

In the year ended September 30, 2024 Siemens AG granted 2,486 (2023: 2,665) shares to 534 (2023: 528) UK employees.

Details on share matching plan activity and weighted average grant-date fair value are summarised in the table below:

| | **Year ended September 30,** | | **Year ended September 30,** | |
|---|---|---|---|---|
| | **Awards** | **Weighted average grant-date fair value (€)** | Awards | Weighted average grant-date fair value (€) |
| | **2024** | **2024** | 2023 | 2023 |
| Non-vested, beginning of period | **4,649** | **113.46** | 5,616 | 106.73 |
| Granted | **2,486** | **127.58** | 2,665 | 105.14 |
| Vested | **(1,684)** | **125.92** | (2,894) | 93.08 |
| Forfeited | **(813)** | **117.12** | (626) | 111.94 |
| Merger | **(9)** | **104.11** | (112) | 112.29 |
| Non-vested, end of period | **4,629** | **115.88** | 4,649 | 113.46 |
| Weighted average vesting period (in years) | | **0.77** | | 0.72 |

Fair value was determined as the market price of Siemens shares less the present value of expected dividends taking into account non-vesting conditions. Total fair value of shares granted under the share matching plan in 2024 and 2023 amounted to €317k and €280k respectively.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 29. Additional disclosures on financial instruments

This section gives a comprehensive overview of the significance of financial instruments for the Company and provides additional information on Statement of Financial Position items that contain financial instruments.

The following table presents the carrying amounts of each category of financial assets and liabilities:

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Financial assets | | |
| Financial assets measured at amortised cost | **472,104** | 470,093 |
| Derivatives not designated in a hedge accounting relationship | **263** | 92 |
| | **472,367** | 470,185 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | **301,493** | 321,223 |
| Derivatives not designated in a hedge accounting relationship | **183** | 37 |
| | **301,676** | 321,260 |

The following table presents the fair values and carrying amounts of financial assets and liabilities measured at cost or amortised cost:

| | September 30, | | | |
|---|---|---|---|---|
| | **2024** | | 2023 | |
| | **Fair value** | **Carrying value** | Fair value | Carrying value |
| Financial assets measured at cost or amortised cost | | | | |
| Trade and other receivables | **443,393** | **443,393** | 443,452 | 443,452 |
| Other current financial assets | **1,050** | **1,050** | 3,306 | 3,306 |
| Other assets | **27,661** | **27,661** | 23,335 | 23,335 |
| | **472,104** | **472,104** | 470,093 | 470,093 |
| Financial liabilities measured at cost or amortised cost | | | | |
| Trade and other payables | **54,438** | **54,438** | 78,494 | 78,494 |
| Other current financial liabilities | **35,684** | **35,684** | 35,296 | 35,296 |
| Other financial liabilities | **211,371** | **211,371** | 207,433 | 207,433 |
| | **301,493** | **301,493** | 321,223 | 321,223 |

The fair values of cash and cash equivalents, current receivables, other current financial assets, other assets, trade payables and other liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Fixed-rate and variable-rate receivables, including receivables from finance leases, are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As of September 30, 2024 and 2023, the carrying amounts of such receivables, net of allowances, approximate their fair values.

Financial assets and liabilities measured at fair value are presented in the following table:

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Financial assets measured at fair value | | |
| Derivative financial instruments | **263** | 92 |
| *Not designated in a hedge accounting relationship* | ***263*** | *92* |
| Financial liabilities measured at fair value | | |
| Derivative financial instruments | **183** | 37 |
| *Not designated in a hedge accounting relationship* | ***183*** | *37* |

The Company limits default risks from derivative instruments by a careful counterparty selection. Derivative instruments are generally transacted with financial institutions with investment grade credit ratings. The fair valuation of derivative financial instruments at Siemens incorporates all factors that market participants would consider, including the counterparties' credit risks. The exact calculation of fair values for derivative financial instruments depends on the specific type of instrument:

Derivative currency contracts — The fair value of forward foreign exchange contracts is based on forward exchange rates. Currency options are valued on the basis of quoted market prices or on estimates based on option pricing models.

In determining the fair values of the derivative financial instruments, no compensating effects from underlying transactions (e.g. firm commitments and forecast transactions) are taken into consideration.

**Fair value hierarchy**

The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted price in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): and
- Level 3: inputs for assets and liabilities, not based on observable market data.

All of the Company's derivative financial instruments as at September 30, 2024 and 2023 are categorised as level 2.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

Net gains / (losses) of financial instruments are as follows:

| | September 30, 2024 | 2023 |
|---|---|---|
| Loans and receivables | **(644)** | (384) |
| Derivatives without a hedging relationship | **(96)** | (44) |
| Financial assets / (liabilities) measured at amortised cost | **790** | 1,220 |

Net losses on loans and receivables contain changes in valuation allowances, gains or losses on derecognition as well as recoveries of amounts previously written off.

Net losses on derivatives without a hedging relationship consist of changes in the fair value of derivative financial instruments (including interest income and expense), for which hedge accounting is not applied.

Net gains on financial assets and liabilities measured at amortised cost include gains and losses on financial receivables and payables from group companies, gains and losses on other monetary Statement of Financial Position items, denominated in foreign currency. It also includes losses and recoveries of write offs on receivables, miscellaneous assets and liquid assets.

Net gains on financial assets and liabilities measured at amortised cost are comprised of gains or losses from derecognition and the ineffective portion of fair value hedges.

**Collateral**

The Company does not hold any collateral that can be sold or re-pledged in the absence of default by the owner on contractual terms. Nor does the Company pledge its financial assets as collateral to third parties.

**Derivative financial instruments and hedging activities**

The following is a summary of the Company's risk management strategies and the effect of these strategies on the financial statements.

***Foreign currency exchange risk management***

As part of the Company's risk management program, a variety of derivative financial instruments are used to reduce risks resulting primarily from fluctuations in foreign currency exchange rates, as well as to reduce credit risks.

The fair value of each type of derivative financial instrument recorded as financial assets or financial liabilities is as follows:

| | | **2024** | | 2023 |
|---|---|---|---|---|
| | **Asset** | **Liability** | Asset | Liability |
| Foreign currency exchange contracts without hedging relationship | **263** | **183** | 92 | 37 |
| | **263** | **183** | 92 | 37 |

The Company's significant transactions in foreign currencies expose it to significant foreign currency exchange risks in the ordinary course of business. The Company employs various strategies, discussed below, involving the use of derivative financial instruments to mitigate or eliminate certain of those exposures.

***Derivative financial instruments not designated in a hedging relationship***

The Company manages its risks associated with fluctuations in foreign currency denominated receivables, payables, debt, firm commitments and forecast transactions primarily through a Company-wide portfolio approach. Under this approach the Company-wide risks are aggregated centrally, and various derivative financial instruments, primarily foreign exchange contracts, are utilised to minimise such risks. Where hedge accounting does not apply, all such derivative financial instruments are recorded at fair value on the Statement of Financial Position, either in line items *Other current financial assets* or *Other current financial liabilities,* and changes in fair values are charged to *net income or loss*.

The Company also has foreign currency derivative instruments, which are embedded in certain sale and purchase contracts denominated in a currency that is neither the functional currency of the substantial parties to the contract nor a currency which is commonly used in the economic environment in which the contract takes place. Gains or losses relating to such embedded foreign currency derivatives are reported in Cost of sales in the Statement of Income. 2024: £nil (2023: £nil).

***Hedging activities***

The Company applies hedge accounting for certain significant anticipated transactions and firm commitments denominated in foreign currency. Particularly, the Company entered into foreign currency exchange contracts to reduce the risk of variability of future cash flows resulting from forecast sales and purchases and firm commitments. This risk results mainly from contracts denominated and Euros and U.S. dollars, both from Siemens' business units entering into long-term contracts, for example project business, and from standard product business.

***Cash flow hedges*** — The effective portion of the changes in fair value of forward exchange contracts that were designated as foreign currency cash flow hedges are recorded in *Other Comprehensive Income*. The ineffective portion is recorded in the Statement of Income. During the years ended *September 30, 2024* and *2023*, *£nil* and *£nil* respectively were reclassified from *Other Comprehensive Income* into net income because cash flow hedge accounting was not applied to hedges for contacted orders or forecasted transactions in foreign currency.

**Financial risk management**

***Market risk***

Market fluctuations may result in significant cash flow and profit volatility risk for Siemens plc. Its UK and worldwide operating business as well as its investment and financing activities are affected by changes in foreign exchange rates, interest rates and equity prices. To optimise the allocation of the financial resources across the Company, as well as to secure an optimal return for its shareholder, the Company identifies, analyses and proactively manages the associated financial market risks.

The Company seeks to manage and control these risks primarily through its regular operating and financing activities and uses derivative instruments when deemed appropriate.

Management of financial market risk is a key priority for the Company's key management and directors. As a member of the Company's management, the Finance Director or Chief Financial Officer covers the specific responsibility for this part of the overall risk management system. At the highest level, the directors retain ultimate accountability. For practical business purposes, the directors delegate responsibilities to key management.

Any market sensitive instruments, including equity and interest bearing investments that the Company's pension plans hold, are not included in the following quantitative and qualitative disclosure. For additional information see note 24.

***Credit risk***

The Company is exposed to credit risk in connection with its external sales. Credit risk is defined as an unexpected loss in cash and earnings if the customer is unable to pay its obligations in due time, if the value of financial uncertainty may cause customer default rates to increase and collateral values to decline. The effective monitoring and controlling of credit risk is a core competency of the Company's risk management system. Customer ratings, analysed and individual customer limits, are based on generally accepted rating methodologies, the input from external rating agencies and Siemens default experiences. Credit evaluations and ratings are performed on all customers with an exposure or requiring credit beyond a defined limit and are carefully considered in determining the conditions under which direct or indirect financing will be offered to customers. The Company's customers are principally large commercial or public sector organisations that have low credit risk. Credit risk is recorded and monitored on an ongoing basis.

Concerning trade receivables and other receivables, as well as other receivables included in *Other financial assets* that are neither impaired nor past due, there were no indications as of September 30, 2024, that defaults in payment obligations will occur.

***Interest rate risk***

The Company's interest rate risk exposure is mainly related to interest-bearing deposits held with local banks and amounts invested with / drawn down from Siemens AG as part of the cash pooling facility across the worldwide group.

The approximate impact on the Statement of Income of a 1% fluctuation in interest rates would be £695k in 2024.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

***Equity price risk***

The Company does not hold investments in publicly traded companies. No equity price risk is therefore foreseen for the Company.

***Foreign currency exchange rate risk***

*Transaction risk and currency management*

Transaction risk and currency management risk from Siemens' international operations expose the Company to foreign currency exchange risks in the ordinary course of business. The Company employs various strategies discussed above involving the use of derivative financial instruments to mitigate or eliminate certain of those exposures.

Foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. If the Company is conducting business with international counterparties that leads to future cash flows denominated in a currency other than its functional currency it is exposed to the risk from changes in foreign exchange rates. The risk is mitigated by closing all types of business transactions (sales and procurement of products and services as well as investment and financing activities) mainly in the functional currency. In addition, the foreign currency exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies as well as production activities and other contributions along the value chain in the local markets.

The Company does not borrow or invest in foreign currencies on a speculative basis.

The Group has established a foreign exchange risk management system that has an established track record for years. The Company is responsible for recording, assessing, monitoring, reporting and hedging its foreign currency transaction exposure.

The Company defines foreign currency exposure generally as balance sheet items in addition to firm commitments which are denominated in foreign currencies, as well as foreign currency denominated cash inflows and cash outflows from anticipated transactions for the following three months.

The tables below show the net foreign exchange transaction exposure by major currencies as of September 30, 2024 and 2023:

| **As at September 30, 2024** | **US$** | **Euro** | **Other** | **Total** |
|---|---|---|---|---|
| Gross Statement of Financial Position exposure | **(246)** | **(3,045)** | **(104)** | **(3,395)** |
| *Thereof: Financial asset* | *-* | *101* | *8* | *109* |
| *Thereof: Financial liabilities* | *(246)* | *(3,146)* | *(112)* | *(3,504)* |
| Gross exposure from firm commitments and anticipated transactions | **(112)** | **(7,815)** | **20** | **(7,907)** |
| Foreign exchange transaction exposure | **(358)** | **(10,860)** | **(84)** | **(11,302)** |
| Economically hedged exposure | **134** | **4,689** | **-** | **4,823** |
| Change in future cash flows after hedging activities resulting from 10% appreciation of GBP | (22) | (617) | (8) | (647) |

| **As at September 30, 2023** | **US$** | **Euro** | **Other** | **Total** |
|---|---|---|---|---|
| Gross Statement of Financial Position exposure | **(31)** | **(3,104)** | **-** | **(3,135)** |
| *Thereof: Financial asset* | *-* | *94* | *-* | *94* |
| *Thereof: Financial liabilities* | *(31)* | *(3,198)* | *-* | *(3,229)* |
| Gross exposure from firm commitments and anticipated transactions | **(372)** | **(11,398)** | **(3)** | **(11,773)** |
| Foreign exchange transaction exposure | **(403)** | **(14,502)** | **(3)** | **(14,908)** |
| Economically hedged exposure | (443) | 831 | - | 388 |
| Change in future cash flows after hedging activities resulting from 10% appreciation of GBP | (85) | (1,367) | - | (1,452) |

It is Siemens AG's group policy to use 10% to analyse the sensitivity of currency fluctuations.

***Liquidity risk***

Liquidity risk results from the Company's potential inability to meet its financial liabilities, e.g. settlement of its financial debt, paying its suppliers and settling finance lease obligations. Beyond effective net working capital and cash management, the Company mitigates liquidity risk by arranging borrowing facilities with other Siemens companies. Amounts payable to other group companies are repayable on demand, but historically other Siemens companies have not demanded repayment of these intercompany balances.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

The following table reflects all contractually fixed undiscounted pay-offs for settlement, repayments and interest resulting from recognised financial liabilities.

| | 2025 | 2026 | 2027 to 2029 | 2030 and thereafter |
|---|---|---|---|---|
| Non derivative financial liabilities | **97,529** | **39,246** | **91,780** | **117,586** |
| Short and long-term borrowings | **24,258** | **22,332** | **66,995** | **100,492** |
| Obligations under leases | **17,857** | **16,849** | **24,785** | **17,094** |
| Trade and other payables | **54,372** | **65** | **-** | **-** |
| Other financial liabilities | **1,042** | **-** | **-** | **-** |

Cash outflows for financial liabilities without fixed amount or timing, including interest, are based on the conditions existing at September 30, 2024.

The Company has £7,688k (2023: £5,862k) amounts due to group companies included in trade payables. Historically other group companies have not demanded repayment of these intercompany balances.

Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Company's ongoing operations such as property, plant, equipment and investments in working capital – e.g. inventories and trade receivables. These assets are considered in the Company's overall liquidity risk.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, Siemens has established a comprehensive risk reporting covering its worldwide business units.

The balanced view of liquidity and financial indebtedness is stated in the calculation of the net liquidity amount and is used for internal management. It results from the total amount of cash and cash equivalents, amounts receivable from and due to group companies within the group cash pooling facility and finance leases with Siemens Financial Services as stated on the Statement of Financial Position. The amounts receivable and due to group companies reported below are held with Siemens AG (Siemens Financial Services division) in the group cash pooling facility. For further information, refer to the S*tatement of Cash Flows*.

The following table reflects the calculation of the Company's net liquidity:

| | September 30, | |
|---|---|---|
| | **2024** | 2023 |
| Receivables from group companies | **69,545** | 60,331 |
| Total liquidity | **69,545** | 60,331 |
| Short term debt and current maturities of long term debt | **(17,937)** | (18,644) |
| Liabilities under leases | **(65,712)** | (43,835) |
| Amounts due to group companies | **(7,688)** | (5,862) |
| Long term debt | **(162,364)** | (178,375) |
| Total debt | **(253,701)** | (246,716) |
| Net debt | **(184,156)** | (186,385) |

In addition to the balances above, which are held with Siemens AG in the group cash pooling facility, receivables from Siemens group companies of £294,012k (2023: £295,208k), and amounts due to Siemens group companies of £7,532k (2023: £5,605k) are held outside this facility. Historically other Siemens group companies have not demanded repayment of these intercompany balances.

***Capital Management***

The Company defines its capital structure as net debt and equity. The primary objective of the Company's capital management is to ensure that it makes optimal use of the working capital generated from its trading profits. The Company's management focus is on generating positive cash flow from operations and maintaining a positive relationship of the Company's current assets and current liabilities.

The current ratio for 2024 was 2.85 (2023: 2.58). The Company also has access to Siemens AG cash pooling arrangement when necessary.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

**30. Related party transactions**

Transactions between the Company and its subsidiaries and associates are disclosed below.

(a) During the year, the Company entered into the following transactions with related parties:

| | Sales of goods | | Rental income and other services sold | | Purchases of goods | | Rental expense and other services purchased | | Interest income | | Interest expense | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 |
| Parent company | **-** | - | **1,161** | 972 | **-** | - | **-** | - | **-** | - | **6,721** | 7,254 |
| Other Siemens group companies | **71,685** | 133,029 | **56,575** | 76,421 | **211,544** | 231,848 | **1,466** | 1,270 | **16,385** | 12,322 | **555** | 656 |

Sales of goods to related parties were made at the Company's usual list prices. Purchases were made at market price.

| | Transfers of leases | | Transfers of other assets | | Transfers of research and development | |
|---|---|---|---|---|---|---|
| | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 | **Year ended 2024** | Year ended 2023 |
| Other Siemens group companies | **134** | - | **(4)** | (8) | **6,062** | 6,143 |

(b) Year end balances arising from sales / purchases of goods:

| | Amounts owed by related parties | | Amounts owed to related parties | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Other Siemens group companies | **17** | 12 | **1,091** | 1,084 |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

The amounts owed to group companies for purchases of goods given above are disclosed within inventory in 2024 and 2023.

(c) Year end balances arising from loans to / from related parties:

| | Amounts owed by related parties | | Amounts owed to related parties | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Parent company | **-** | - | **180,047** | 195,658 |
| Other Siemens group companies | **363,534** | 355,531 | **5,447** | 3,526 |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023 (in thousands of £)

## 31. Remuneration of key management personnel

The remuneration of the key management personnel of the Company is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

| | Year ended September 30, **2024** | 2023 |
|---|---|---|
| Short-term employee benefits | **1,129** | 993 |
| Post-employment benefits | **17** | 28 |
| Share based payments | **288** | 100 |

## 32. Subsequent events

There were no significant events after the reporting period.

## 33. Ultimate parent undertaking

The ultimate parent undertaking is Siemens Aktiengesellschaft, incorporated in Germany. Siemens AG is the only group undertaking of which the Company is a member for which group financial statements are prepared. Copies of the group financial statements are available on the internet at https://www.siemens.com/global/en/company/investor-relations/events-publications-ad-hoc/annualreports .html or obtained from:

Siemens AG
Werner-von-Siemens-Strasse 1
D-80333 Munich
Germany

The immediate parent undertaking is Siemens Holdings plc, a company incorporated in England and Wales.

## 34. Dividends paid

No dividends were paid in 2024 (2023: £nil).