Siemens Capital Company LLC

Financial Statements

A Wholly Owned Subsidiary of Siemens Corporation
Years Ended September 30, 2025 and 2024
With Report of Independent Auditors

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Contents

Report of Independent Auditors

To the Management of Siemens Capital Company LLC

Opinion

We have audited the accompanying financial statements of Siemens Capital Company LLC (the "Company"), which comprise the balance sheets as of September 30, 2025 and 2024, and the related statements of comprehensive income, of changes in member's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

New York, New York
December 5, 2025

Balance Sheets

(Dollars in Thousands)	Notes	September 30 2025	September 30 2024
Assets			
Current assets:			
Cash and cash equivalents	7	834,290	531,671
Trade and other receivables	8	179	365
Receivables from affiliates, net	10	14,753,234	8,677,055
Positive fair value of derivatives	17, 19	69,865	65,829
Other current assets	11	310	848
Total current assets		15,657,878	9,275,768
Non-current assets:			
Property, plant, and equipment, net	3	427	487
Long-term receivables from affiliates	10	13,552,783	6,768,977
Deferred income tax assets	6	15,789	20,937
Other assets		82	33
Total non-current assets		13,569,081	6,790,434
Total assets		**29,226,959**	**16,066,202**
Liabilities and Member's Equity			
Current liabilities:			
Liabilities to affiliates	12	15,294,688	11,240,471
Accrued liabilities	3, 9, 15	4,493	5,669
Negative fair value of derivatives	17, 19	65,421	59,396
Short-term debt	13	348,529	47,417
Other current liabilities	6, 14	62,808	83,386
Total current liabilities		15,775,939	11,436,339
Non-current liabilities:			
Long-term liabilities to affiliates	12	11,405,978	2,728,588
Other liabilities	16	999	2,841
Total non-current liabilities		11,406,977	2,731,429
Total liabilities		**27,182,916**	**14,167,768**
Member's equity	21	2,044,043	1,898,434
Total liabilities and member's equity		**29,226,959**	**16,066,202**

See accompanying notes to Financial Statements

Statements of Comprehensive Income

		Year Ended September 30	
(Dollars in Thousands)	**Note**	**2025**	**2024**
Interest income	10	1,091,135	1,117,653
Interest expense	12, 13	(863,785)	(995,761)
Net interest income		227,350	121,892
(Loss) gain on financial instruments, net	5	(30,056)	8,556
Decrease of expected credit loss allowance	10, 14, 16	4,002	2,904
Other income	4	9,162	7,834
General and administrative expenses	9	(14,890)	(13,971)
Income before income taxes		195,568	127,215
Income tax provision	6	(49,588)	(32,109)
Net income		**145,980**	**95,106**
Other comprehensive income (loss):			
Pension plan actuarial gain (loss), net of tax	3, 9	47	(2)
Total comprehensive income, net of tax		**146,027**	**95,104**

See accompanying notes to Financial Statements

Statements of Cash Flows

	Year Ended September 30	
(Dollars in Thousands)	**2025**	**2024**
Operating activities		
Net income	145,980	95,106
Adjustments to reconcile net income to net cash (used in) provided by operating activities - continuing operations:		
Deferred tax Provision (benefit)	5,148	(3,048)
Unrealized fair value (loss) gain on derivative financial instruments	1,989	(17,186)
Unrealized foreign exchange gain on affiliate loans	(356)	(12,846)
Decrease in allowance of expected credit losses on receivables from affiliates and loan commitments	(4,002)	(2,904)
(Increase) decrease in operating assets:		
Receivables from affiliates	(12,860,090)	4,643,507
Property, plant and equipment	61	61
Trade and other receivables	186	354
Other assets	524	(718)
(Decrease) increase in operating liabilities:		
Accrued liabilities	(1,176)	(246)
Pension liabilities	47	(2)
Income tax payable	9,530	(38,671)
Other liabilities	(27,941)	15,673
Net cash (used in) provided by operating activities	**(12,730,100)**	**4,679,080**
Financing activities		
Proceeds from (payments of) short-term debt	301,112	(1,324)
Financing from (payments of liabilities to) affiliates, net	12,731,607	(4,465,645)
Net cash provided by (used in) financing activities	**13,032,719**	**(4,466,969)**
Net increase in cash and cash equivalents	302,619	212,111
Cash and cash equivalents at beginning of year	531,671	319,560
Cash and cash equivalents at end of year	**834,290**	**531,671**
Supplemental cash flow disclosures		
Cash received for interest from time deposits	30,569	24,167
Cash paid for interest on commercial paper	(127,907)	(120,575)

See accompanying notes to Financial Statements

Statements of Changes in Member's Equity

(Dollars in Thousands)	Member's Capital				
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Gains (losses)	Total Member's Equity
Balance at September 30, 2023	1	245,207	1,559,130	(805)	1,803,533
Net income	–	–	95,106		95,106
Siemens AG share-based compensation expense, net of tax	–	–	(203)	–	(203)
Pension plan actuarial loss, net of tax	–	–	–	(2)	(2)
Balance at September 30, 2024	1	245,207	1,654,033	(807)	1,898,434
Net income	–	–	145,980		145,980
Siemens AG share-based compensation expense, net of tax	–	–	(418)	–	(418)
Pension plan actuarial gain, net of tax	–	–	–	47	47
Balance at September 30, 2025	**1**	**245,207**	**1,799,595**	**(760)**	**2,044,043**

See accompanying notes to Financial Statements

Notes to Financial Statements

(Dollars in Thousands, Except Where Otherwise Stated)

September 30, 2025

1. Business

Siemens Capital Company LLC ("SCC" or the "Company") is registered to do business as a limited liability company in the State of Delaware, United States. The Company is located at 200 Wood Avenue South, Iselin, NJ 08830 and is a wholly-owned subsidiary of Siemens Corporation ("SC"), which is held by Siemens USA Holdings, Inc. ("SUSA"). SUSA is a wholly-owned subsidiary of Siemens Aktiengesellschaft ("Siemens AG"). Ultimately, the Company is owned by Siemens AG.

The Company has been organized under a group named Controlling and Finance Financing (CF F) as a support function of Siemens AG. The Company is now referred to as a "Regional Finance Center". The Company continues to provide treasury services including financing, liquidity, interest rate and foreign exchange risk management, and cash and payments management for the Siemens AG North American affiliates. Additionally, the Company also supports the affiliates in South and Central America with their financing and treasury risk management needs. Furthermore, the Company provides services in investment management for the retirement plans of the Siemens AG North American affiliates and operates under the CF F Pension organization.

The Company also provides trade finance advisory and insurance risk management services primarily to the North American affiliates.

The Trade Finance Advisory (TFA) business objective is to mitigate costs and lessen risk for Siemens in the context of commercial considerations. It is an advisory and administrative unit, regarding guarantees, letters of credit and surety bond financial instruments. TFA has built relationships with various banks and insurance companies and has utilized these contacts in securing favorable guarantee lines for the Siemens AG North and South American affiliates.

The Insurance business arranges insurance coverage to protect Siemens in the Americas from insurable losses which might significantly impact its financial condition. Its portfolio covers a wide range of services, from qualified risk analyses to supporting global industrial insurance solutions and associated claims handling. It deals with pure risks that are characterized by chance occurrence and that may only result in a financial loss. The Insurance group of SCC manages insurance contracts on behalf of Siemens Corporation and its' affiliates. Therefore, SCC does not enter into insurance contracts under its own name or bear the risk of loss.

The CF F organization was optimized in 2021 by the division of the Treasury business in three distinct Product Lines: Cash Management and Payments (CMP), FX and Commodity Risk Management (FCR) and Group Funding, Liquidity and Interest Management (GLI). Effective, October 1, 2023, the former FCR product line has been renamed to Treasury Risk Management (TRM) and is responsible for managing financial risks and closing all treasury trading transactions. The GLI liquidity and interest management function has been integrated into the TRM Product Line to further improve unified risk management through joint steering of financial risks, in compliance with regulatory requirements. The GLI Group Funding function has been transferred to a staff unit, named Capital Markets (CAM) due to the relevance of this area and reports to CF F Management.

These two Product Lines of CMP and TRM, the CAM staff unit together with the TFA, Insurance and Pension Product Lines, currently constitute the operative business organization of CF F.

2. Basis of Presentation and Statement of Compliance

The accompanying financial statements present the operations of SCC and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company has applied all applicable standards and interpretations issued by the IASB, that were effective as of the beginning of the fiscal years 2025 and 2024. The financial statements are prepared using amounts that approximate fair value, except for long-term receivables from affiliates and liabilities to affiliates which are presented on the amortized cost basis as stated in Note 3, Summary of Significant Accounting Policies and Critical Accounting Estimates.

SCC prepares and reports its financial statements in US dollars ($).

The Company presents its Balance Sheet in order of liquidity. Assets and liabilities that settle within one year after the reporting date and greater than one year after the reporting date have been classified as current and non-current, respectively.

The financial statements were authorized for issuance by Company's Management on December 05, 2025.

3. Summary of Significant Accounting Policies and Critical Accounting Estimates

The accounting policies and estimates set forth below have been applied consistently to all periods presented in these financial statements.

Macroeconomic and Geopolitical Environment

The Company operates in an increasingly complex and uncertain macroeconomic and geopolitical environment, which is volatile and shaped by economic instabilities, political tensions, fragmentations, polarizations and regulatory unrest, causing uncertainties worldwide. Notably, the Company is dealing with unknowns in the development of cost of capital or in future prices, in how interest, foreign currency or inflation rates will evolve, in how credits risks will be affected, along with presumably unsatisfactory economic growth in significant markets. Consequently, there are uncertainties in prognosis and forecasts, in applying critical accounting estimates and in using management judgements. Those trends could impact fair values and carrying amounts of assets and liabilities, amount and timing of results of operations and cash flows of the Company. Severity and duration of those trends are decisive on the magnitude of its impact on the Company's Financial Statements. The Company based its estimates and assumptions on existing knowledge and best information available.

Use of Estimates

The preparation of financial statements in conformity with IAS 1, *Presentation of Financial Statements*, requires management to estimate the effects of uncertain future events on assets and liabilities at the balance sheet date in order to determine the carrying amounts of those assets and liabilities an entity shall disclose in the notes to financial statements.

Foreign Currency Transactions

Transactions that are denominated in a currency other than the functional currency of the Company are recorded at that functional currency applying the spot exchange rate as of the date when the underlying transactions are initially recognized. At the end of the reporting period, foreign currency-denominated monetary assets and liabilities are translated to functional currency applying the spot exchange rate as of that date. Gains and losses arising from these foreign currency revaluations are recognized in (Loss) gain on financial instruments, net and are included in Net income. Those foreign currency-denominated transactions which are classified as non-monetary are translated using the historical spot exchange rate.

Income Taxes

The Company applies IAS 12, Income Taxes (IAS 12). The Company's results are included in the consolidated federal income tax return of Siemens Corporation. Income taxes are determined on a separate company basis, pursuant to a tax allocation agreement with Siemens Corporation.

The Company's provision for income taxes is calculated as if the Company filed a separate federal income tax return and based on a blended state income tax rate prescribed by Siemens Corporation which is different than the applicable statutory income tax rate. As further discussed in Note 6, income taxes have been determined under the asset and liability method of IAS 12, which requires that deferred income tax assets and liabilities be determined based upon the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. The effect of deferred income tax assets of a change in tax rates is recognized in the Statements of Comprehensive Income, unless related to items directly recognized in Member's equity, in the period the new laws are substantively enacted. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against deductible temporary differences and unused tax losses; then enabling income tax credits to be utilized.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered as cash and cash equivalents and are measured at cost.

Financial Assets and Financial Liabilities

Date of Recognition

Financial assets and liabilities are initially recognized on the trade date, i.e., when the Company becomes a party to the contractual provisions of the instrument or item. This includes trades such as purchases or sales of financial assets or liabilities that require delivery of assets and liabilities within the time frame generally established by regulation or convention in the market.

Classification of Financial Assets and Financial Liabilities

The classification of financial assets and liabilities at initial recognition depends on their purpose, characteristics and management's intention when transacting them.

All derivative financial assets and liabilities are classified as financial assets/liabilities at fair value through profit or loss. Receivables from and Liabilities to affiliates (long and short-term portion) that are classified as Term Loans and Deposits, respectively, are measured at amortized cost less any impairment losses.

Derecognition of Financial Assets and Financial Liabilities

Financial assets are derecognized when the rights to receive cash flows from the asset have expired, been modified, cancelled or if the assets have been transferred (i.e., all the risks and rewards or control of the asset) and qualifies for derecognition.

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled, modified or expired.

The difference between the carrying value of the original financial assets and liabilities and the consideration received or paid is recognized in profit or loss.

Measurement of Financial Assets

Financial assets which are primarily receivables from affiliates are classified as loans and receivables which are measured at amortized cost using the effective-interest method, less any impairment losses. Impairment losses on receivables from affiliates are recognized using separate allowance accounts. Additional information regarding allowance accounts is discussed in Note 10.

Measurement of Financial Liabilities

The Company measures financial liabilities, except derivative financial instruments, at amortized cost using the effective-interest method. The financial liabilities primarily include liabilities to affiliates.

Accrued Liabilities

Accrued liabilities are recognized in the Balance Sheet when 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. Accrued liabilities mainly include employee related bonuses and fringe benefits. Additions to accrued liabilities and reversals are generally recognized in General and administrative expenses in the Statements of Comprehensive Income.

Short-Term Debt

For working capital purposes, the Company issues commercial paper which typically has a maturity of less than 360 days and is recorded at a discount. The carrying amount of commercial paper on the Balance Sheets is equal to the face value less the amount of the discount.

Other Liabilities – Pension, Other Post-Employment and Other Benefit Plans

The Company participates in the trusteed noncontributory qualified defined benefit (pension) plan, defined contribution plans, and non-pension post-employment benefit plans that are sponsored by Siemens Corporation. The employee benefit plans' expenses are paid by Siemens Corporation and reimbursed by the Company. Pension expenses and related liabilities are recorded based on allocated amounts received from the North America Benefits Accounting organization on behalf of Siemens Corporation.

The Company also participates in Siemens AG's share-based payment plans which include stock awards and share matching plans. These share-based payment plans at Siemens AG are designed as equity-settled plans. Fair value is measured at grant date and is expensed over the vesting period. SCC incurs periodic costs, based on the set criteria, of these share-based payment plans for senior management and participating employees.

Termination benefits are recognized in the period incurred and when the amount is reasonably estimable. Termination benefits in accordance with IAS19, Employee Benefits, are recognized as a liability and an expense when the entity has demonstrated that it has committed itself, through a formal termination plan or otherwise created a valid expectation, to terminate employment before the normal retirement date.

Interest Income and Expense

Interest income and expense is recognized using the effective interest method. Interest income is accrued as earned and interest expense is accrued as incurred. Negative interest rates for applicable currencies have resulted in negative interest income and expense and have been recorded in the respective loan related interest income and deposit related interest expense accounts accordingly.

Other Income

Other income is mainly related to Guarantee fees and includes Insurance fees and income from pension management services provided to Siemens affiliates that is recognized when the services are performed.

General and Administrative Expenses

In general, operating expenses by types are recorded as incurred in the functional area of the corresponding profit and cost centers and predominantly consist of personnel related costs. Additional disclosures of personal costs can be found in Note 9.

Expected Credit Losses

Expected credit losses (ECL) are recorded on receivables from affiliates and loan commitments in accordance with the Company's policy which includes a prescribed methodology for calculating an allowance for doubtful accounts that are based on applicable credit ratings and the terms of the receivables and commitments. The allowance is based on ECL's associated with the probability of a default in the next twelve months. Additional disclosures can be found in Notes 10, 14 and 16.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of significant financial instruments at September 30, 2025 and 2024:

Long-Term Receivables from Affiliates and Liabilities to Affiliates: Long-term fixed-rate and variable-rate receivables from affiliates and liabilities to affiliates are evaluated by the Company based on parameters such as interest rates and specific country risk factors.

Short-Term Debt: The fair value of quoted notes and bonds is based on price quotations at the balance sheet date.

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

Derivative Interest Rate Contracts: The fair values of derivative interest rate contracts (e.g., interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument. Interest rate futures and interest rate options are valued on the basis of quoted market prices when available. If quoted market prices are not available, interest rate options are valued based on option pricing models.

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, certain compensating effects from underlying transactions (e.g., firm commitments and anticipated transactions) are not taken into consideration.

The levels of the fair value hierarchy and its application to our financial assets and liabilities are described below:

Level 1: Quoted prices 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., prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data

Derivative Financial Instruments

The company uses derivatives to economically hedge foreign exchange and interest rate risks.

The Company accounts for derivative financial instruments in accordance with IFRS 9 Financial Instruments, which requires that all derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, be recognized in the financial statements and be measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments are recognized as (Loss) gain on financial instruments, net in the Statements of Comprehensive Income. All derivatives are recognized in the Balance Sheets at their fair value. These derivative contracts expose the Company to the fair value gain or loss of the hedging instrument if the counterparty fails to perform. The Company mitigates this risk by entering into transactions with affiliates and investment grade financial institutions.

For those derivative instruments in which the Company wants to apply hedge accounting, SCC, in coordination with CF F, formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions on behalf of the Company. This documentation is maintained by SCC and CF F. The process includes linking all derivatives that are designated as fair value, cash-flow, or foreign-currency hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Company assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items. The retrospective regression method was used to determine the hedge effectiveness of the economic relationship between the hedged item and the hedging instrument.

Changes in the fair value of a derivative that is effective and that is designated and qualifies as a fair value hedge, along with the loss or gain on the hedged asset or liability or unrecognized firm commitment of the hedged item that is attributable to the hedged risk, are recorded in the Statements of Comprehensive Income. SCC did not have any fair value hedges as of September 30, 2025 and 2024 as the fair value hedges were terminated in September 2023. There are currently no transactions related to cash flow or foreign currency hedges.

SCC had elected as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39 and was therefore able to choose to prospectively terminate hedge accounting in accordance with IAS 39. Additional and more detailed disclosures for hedge accounting are disclosed in Note 17.

Additional information regarding the Company's objectives and strategies in respect to the management of foreign currency and interest rate risk, including the use of derivative instruments, is discussed in Note 17.

IFRS 16 Leases

The Company adopted the standard for the fiscal year beginning as of October 1, 2019, by applying the modified retrospective approach, i.e., comparative figures for the preceding year are not adjusted. By applying IFRS 16, straight-line operating lease expense is replaced by depreciation expense on right-of use assets and interest expense on lease liabilities.

The real estate lease used by SCC was held by Siemens Corporation (SC) and subleased via intercompany leases. Organizationally, Siemens Real Estate (SRE) is responsible for managing SC's real estate portfolio. The Company entered into a 10-year office lease for its current NJ office with SRE, a division of Siemens Corporation during September 2023, retroactive to October 1, 2022. Also see Note 20 for disclosures about the new office location.

Based on Lessee Accounting and Reporting System (LARS), a SRE data housing software, contract numbers, the properties leased from third parties and subleased to SCC are identified on SC accounts. Balances attributable to SCC are transferred 1:1 to the financial statements of SCC once a year. The allocation key is the office space rented by SCC in percent of the total external office space lease contract by SC.

The amounts recognized in SC by SRE are the best reflection already for real estate used by affiliated companies considering also that in carve-out scenarios these would be the values that would be transferred to SCC and any differences due to management fees are not considered to be material from a balance sheet and Income Statement perspective.

The amount of Property, plant and equipment (right-of-use assets from leases) as of September 30, 2025 and 2024 was $427 and $487 respectively. The change in assets and liabilities (excluding deferred taxes) as of September 30, 2025 and 2024 is $-61 which is reflected in the Balance Sheets and Statements of Comprehensive Income on a net basis via reclassification between General and Administration Expenses and Interest Expenses. Resulting deferred taxes of $15 in 2025 and 2024 have been recognized in the Statements of Comprehensive Income.

New and amended standards and interpretations

New accounting pronouncements, not yet adopted - IFRS 18

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18). IFRS 18 requires additional defined subtotals in the Statement of Income, disclosures about management-defined performance measures, adds new principles for aggregation and disaggregation of information, and provides limited amendments to IAS 7, Statement of Cash Flows. IFRS 18 supersedes IAS 1, Presentation of Financial Statements. The new standard is effective for fiscal years beginning on or after January 1, 2027. Early application is permitted. The standard needs to be applied retrospectively. The Company is assessing the impact of adopting IFRS 18 on the Company's Financial Statements.

4. Other Income

Included in Other income is revenue related to Pension, Insurance, TFA and CMP services provided to Siemens affiliates of $9,162 and $7,834 for fiscal year 2025 and 2024, respectively. TFA revenue is related to fees charged for processing internal and external guarantees.

5. (Loss) gain on Financial Instruments, net

(Loss) gain on financial instruments, net includes the following for the years ended September 30:

(Dollars in Thousands)	2025	2024
Foreign exchange transactions results:		
Realized derivatives results	60,780	12,225
Unrealized derivatives results	(1,989)	17,186
Realized other assets and liabilities results	(89,169)	(55,767)
Unrealized other assets and liabilities results	322	12,846
Interest rate derivatives results:		
Realized – Non hedge accounting results	0	22,066
(Loss) gain on financial instruments, net	**(30,056)**	**8,556**

Also see Note 18 for a description of the Company's risk management strategies.

6. Income Taxes

The Income tax provision consists of the following for the years ended September 30:

(Dollars in Thousands)	2025	2024
Federal:		
Current	(34,284)	(26,828)
Deferred	(4,042)	2,376
State:		
Current	(9,792)	(7,785)
Deferred	(1,090)	671
Foreign:		
Current	(380)	(543)
Income Tax expense	**(49,588)**	**(32,109)**

Included in other current liabilities are federal, state, and foreign income taxes payable. The amount of net income taxes payable as of September 30, 2025 and 2024 is $44,679 and $35,149 respectively.

Deferred income tax assets are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis using enacted tax rates expected to be in effect for the years in which the differences are expected to reverse. For Fiscal 2025 and 2024, the federal and state deferred income tax assets result principally from temporary differences between the book and tax basis of derivatives and unrealized foreign exchange losses related to the CHF loan with SAG and related hedge, as mentioned in Note12, expected credit losses on receivables and loan commitments from affiliates and accrued expenses.

The statutory tax rate applicable for fiscal year ending 2025 and 2024 was 25.424% [19.824% for federal tax purposes after state tax benefit, and 5.6% for state tax purposes]. For purposes of valuing deferred tax assets on September 30, 2025 and 2024, the statutory tax rate utilized was 25.424%. The effective income tax rate is approximately 25.36% and 25.24% for the years ended September 2025 and 2024, respectively. The difference between the effective income tax rate and the statutory tax rate for 2025 and 2024 primarily pertains to a favorable personnel related permanent difference.

In assessing the realization of deferred income tax assets, management considers whether it is more likely than not that some portion or all the deferred income tax assets will not be realized. Management considers the scheduled reversal of deferred income tax assets, projected future taxable income, and tax planning strategies in making this assessment. Management believes that it is probable that the Company will generate sufficient taxable income in future years to realize the benefit of the deferred income tax assets. The amount of the deferred income tax assets as of September 30, 2025 and 2024 was $15,789 and $20,937, respectively.

The following are the tax effects of temporary differences that comprise the deferred income tax assets at September 30:

(Dollars in Thousands)	2025	2024
Net assets:		
Unrealized fair value of derivative financial instruments	257	(180)
Unrealized foreign exchange losses on affiliate loans	(717)	974
ECL on receivables from affiliates and loan commitments	14,227	15,244
IFRS 16 Leases (Right of use assets, net)	47	31
Accrued interest – foreign affiliates	1,058	3,547
Bank and Other Employee related accruals	917	1,321
Total Deferred Income Tax Assets	**15,789**	**20,937**

7. Cash and Cash Equivalents

The Company provides cash management services to affiliates and holds cash and cash equivalents as of September 30, as follows:

(Dollars in Thousands)	2025	2024
Cash in U.S. banks	566,642	114,670
Cash in foreign banks	67,648	37,001
Time deposits in U. S. and foreign banks with original maturity of less than 90 days	200,000	380,000
Total Cash and Cash Equivalents	**834,290**	**531,671**

8. Related-Party Transactions

The Company is a member of a group of affiliated and associated companies and enters into extensive transactions with affiliated companies of Siemens Corporation and Siemens AG. These transactions mainly include receivables / liabilities from and to affiliates and related income and expense as disclosed in the Notes 10 and 12 to financial statements.

If there are no conflicting country-specific regulations within affiliates regions that are serviced by the Company, the respective affiliates generally obtain any required financing through the Company in the form of loans or intercompany clearing accounts. The same concept is adopted for deposits of cash generated by the affiliates.

Trade and other receivables include TFA guarantee fees billed to previously owned SAG affiliates.

The Company paid $34,612 and $73,333 of income taxes to Siemens Corporation during the fiscal years ended September 30, 2025 and 2024 respectively. Siemens Corporation then submitted the payment to the U.S. Federal and State tax authorities on the Company's behalf. Furthermore, Siemens Corporation submitted payments on behalf of the Company in the amount of $1,474 and $1,791 for the fiscal years ended September 30, 2025 and 2024 respectively, to the U.S. Federal tax authority for applicable U.S. withholding income taxes.

The Company is both a lender to and borrower from certain Siemens Affiliates in the Americas region. The company recorded $381 and $543 in fiscal years 2025 and 2024 respectively of net foreign withholding income taxes primarily related to taxes withheld on interest payments made by Mexican affiliates. The Company reimburses the Mexican affiliates for the withholding income taxes paid to the

Mexican Tax Authorities on its behalf. The company has recorded foreign tax credits resulting from foreign withholding taxes that would be fully utilized in accordance with Siemens Corporation's Tax department policy.

9. Personnel Costs

The amounts disclosed in the following table are the amounts recognized as an expense related to personnel recorded under General and Administrative expenses, during the years ended September 30, 2025 and 2024:

(Dollars in Thousands**)**	**2025**	**2024**
Wages and salaries	8,280	8,144
Statutory social welfare contributions and employee benefits	2,820	1,814
Expenses relating to pension plans and Other Post-Employment Benefits (OPEB)	28	45
Total Personnel Costs	**11,128**	**10,003**

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of SCC and its employees. The Company considers senior management and the business area heads to be key management personnel. The aggregate compensation of key management personnel which includes salaries, bonus, and expenses related to pension and employee benefits was targeted at $3,052 for fiscal year 2025 and was paid in the amount of $2,994 for fiscal year 2024, respectively. The accrued bonus of $724 and the actual bonus paid of $917 were included in fiscal year 2025 and 2024 compensation, respectively. The annual bonus which is included in Salaries and wages is paid in December.

10. Receivables from Affiliates, net

Balances as of September 30 consist of the following:

(Dollars in Thousands)	**2025**	**2024**
Receivables from affiliates, net due within one year	14,753,234	8,677,055
(interest rates range from 0.68% to 9.47% in fiscal year 2025 and 0.76% to 11.70% in fiscal 2024)		
Receivables from affiliates due beyond one year	13,552,783	6,768,977
(interest rates range from 0.93% to 5.70% in fiscal year 2025 and 0.85% to 6.0% in fiscal 2024)		

Maturities of amounts due from affiliates before ECL for each of the following five fiscal years and thereafter are as follows:

(Dollars in Thousands)	**2025**
Fiscal year ending September 30:	
2026	14,808,316
2027	4,955,803
2028	2,507,071
2029	323,817
2030	1,114,161
Thereafter	4,651,931

The balance composition of the receivables from affiliates due within one year is as follows:

(Dollars in Thousands)	2025	2024
Siemens Corporation	88,320	367,994
Siemens Financial Services affiliates	5,458,571	5,040,959
Siemens Smart Infrastructure affiliates	1,623,685	1,741,347
Siemens Digital Industry affiliates	7,304,807	935,066
Other Siemens affiliates	332,933	646,309
Total receivables from affiliates due within one year	**14,808,316**	**8,731,675**
Expected credit loss on receivables from affiliates	(55,082)	(54,620)
Total receivables from affiliates due within one year, net	**14,753,234**	**8,677,055**

The balance composition of the receivables from affiliates due beyond one year is as follows:

(Dollars in Thousands)	2025	2024
Siemens Financial Services	7,552,783	6,768,977
Siemens Digital Industry	6,000,000	-
Total receivables from affiliates due beyond one year	**13,552,783**	**6,768,977**

Interest income related to receivable from affiliates is as follows:

(Dollars in Thousands)	2025	2024
Siemens Financial Services affiliates	545,578	613,824
Siemens Corporation	18,687	132,521
Siemens Finance B.V. (SFBV)		63,558
Siemens Digital Industry affiliates	361,415	142,734
Other Siemens affiliates	136,000	140,847
Total interest income related to receivables from affiliates	**1,061,680**	**1,093,484**

A $6,000,000 loan was extended to Siemens Industry Software, Inc, in May, 2025, in connection with the acquisition of Altair by Siemens AG. Additionally, over $5,000,000 and $1,000,000 in loans less than one year have been extended to Siemens Industry Software, Inc. and GraphPad Software, LLC, respectively, in July, 2025 due to the Dotmatics acquisition by Siemens AG.

The two term loans to Mentor Graphics Corporation amounting to $2,728,588 have been terminated in August 2024 as part of a finance restructuring of the Consolidated Siemens Corporation Group in accordance with CF F Interest Management strategy. As a result of the termination, SCC paid a market value compensation payment of $120,178 to Mentor Graphics Corporation recorded as Interest expense in the Statements of Comprehensive Income.

The Expected credit loss on receivables from affiliates is the ECL for the entire receivables balance, including receivables from affiliates due within one year and due beyond one year.

The increase in the Expected credit loss on receivables from affiliates for the fiscal year 2025 and decrease in 2024 of $462 and ($3,733), respectively, was recorded in the Statements of Comprehensive Income. SCC utilizes the IFRS 9 general approach (3-Stage model). As of September 30, 2025, and 2024, all SCC Receivables from affiliates are categorized as Stage 1 assets.

The applicable allowance rate equals the multiplication of Probability of Default (PD) and Loss in Event of Default (LiED). Probability of Default is based on the counterparty's rating and the remaining tenor of the financial asset in question. For Stage 1 assets a maturity of up to 12 months is to be used to determine the PD. For example, if a loan is granted with a tenor of one month, the applicable PD would only be the one-month PD. Loss in Event of Default equals the difference between the exposure at the point in time that default occurs and the expected amount that can be repaid (i.e. the cash shortfall). The LiED is the amount which the lender would not be able to recover if the borrowing Siemens entity defaulted on their obligation. SCC uses the standardized Siemens LiED assumption of 55% for investment grade obligors and 65% for non-investment grade obligors.

The Receivables from U.S. owned affiliates of Siemens Corporation, which comprise the majority of SCC's intercompany receivables, are guaranteed by Siemens Corporation in an agreement dated September 23, 2020, for up to a maximum value of $20,000,000 through September 30, 2024. On October 1, 2024, the guarantee was updated and decreased to a maximum value of $15,000,000 through September 30, 2029, due to lower Intercompany receivables. On March 25, 2025, because of the Altair acquisition, the guarantee was updated to a maximum value of U.S. Dollar 25 billion through September 30, 2029. On, July 1, 2025, due to the Dotmatics acquisition, the guarantee was updated to a maximum value of U.S. Dollar 30 billion through September 30, 2029.

11. Other Current Assets

Other current assets in fiscal year's 2025 and 2024 are insignificant.

12. Liabilities to Affiliates

Liabilities to affiliates include the following as of September 30:

(Dollars in Thousands)	2025	2024
Liabilities to affiliates due within one year	15,294,688	11,240,471
(interest rates range from -0.45% to 35.07% in fiscal year 2025 and from -0.34% to 10.25% in fiscal year 2024)		
Liabilities to affiliates due beyond one year	11,405,978	2,728,588
(interest rates range from 3.54% to 6.07% in fiscal years 2025 and from 3.54% to 4.35% in fiscal year 2024)		

Maturities of amounts due to affiliates, for each of the following five fiscal years and thereafter are as follows:

(Dollars in Thousands)	2025
Fiscal year ending September 30:	
2026	15,294,688
2027	2,968,353
2028	1,496,500
2029	-
2030	995,730
Thereafter	5,945,395

The balance composition of the liabilities to affiliates due within one year is as follows:

(Dollars in Thousands)	2025	2024
Siemens Industries and others	5,367,843	5,274,121
Siemens Aktiengesellschaft (SAG)	8,215,201	3,846,837
Siemens Finance B.V. (SFBV)	502	1,737,055
Siemens Funding B.V.	120,994	-
Other Siemens affiliates	1,590,148	382,458
Total liabilities to affiliates due within one year	**15,294,688**	**11,240,471**

The balance composition of the liabilities to affiliates due beyond one year is as follows:

(Dollars in Thousands)	2025	2024
Siemens Funding B.V.	6,953,150	-
Siemens Finance B.V. (SFBV)	4,452,828	2,728,588
Total liabilities to affiliates due beyond one year	**11,405,978**	**2,728,588**

Interest expense related to liabilities to affiliates is as follows:

(Dollars in Thousands)	2025	2024
SFM and Siemens Finance B.V. (SFBV)-	275,700	188,681
Siemens Funding B.V.	125,770	-
Siemens Industries and others	200,570	207,934
Siemens AG	101,089	132,454
Siemens Digital Industry / Digital Factory affiliates	30,484	305,146
Other Siemens affiliates	7,637	38,857
Total interest expense related to liabilities to affiliates	**741,250**	**873,072**

Also see Note 13 for disclosures regarding third party interest expenses related to the Commercial Paper Program.

On August 7th, 2024, in accordance with CF F's Interest Management strategy, SCC entered into a debt assumption agreement with SF BV. In this agreement SF BV assumed the $1,724,240 term loan debt from SCC, that SCC initially borrowed from SFM on May 18th, 2015. The impacts of the debt assumption regarding the receipt of a one-time market value compensation of $63,558, have been recorded as Interest Income in the Statements of Comprehensive Income. There was also a related termination of $250,000 notional value Interest Rate Swaps (partial hedging the SFM loan borrowing) with SAG that resulted in a $22,129 market value compensation payment to SCC recorded in (Loss) gain on financial instruments in the Statements of Comprehensive Income.

SCC has entered into master loan agreements with SFM and SFBV. Borrowings from SFM and SFBV consist of fixed rate loans. The loans payable to SFM and SFBV are guaranteed by Siemens Corporation in agreements dated October 1, 2020, for SFM, and September 28, 2023, and October 1, 2024, for SFBV. Siemens Corporation guarantees SFM loans for up to $15,000,000 through September 30, 2025, and SFBV loans for up to $5,000,000 through September 30, 2025. The guarantee has been extended to September 30, 2026. On October 1, 2024, the SFM loan guarantee was canceled due to SCC no longer borrowing from SFM. As a result of the Altair Acquisition, on March 24, 2025, a new guarantee by Siemens Corporation was put in place to guarantee to SFM the payment of all amounts, including but not limited to principal and interest amounts, due under any intercompany loan provided to SCC for up to $10,600,000 through September 30, 2025. On June 23, 2025, the guarantee was discharged.

During Fiscal Year 2025, SCC entered into master loan agreements with Siemens Funding B.V.in connection with the financing of the Altair acquisition by SAG. Borrowings from Siemens Funding consist of long-term fixed and floating rate loans totaling $6,953,150 as of September 30, 2025. The loans payable to Siemens Funding B.V. are guaranteed by Siemens Corporation in agreements dated May 28, 2025, and May 29, 2025. Siemens Corporation guarantees Siemens Funding B.V. loans for up to $6,000,000 and $7,000,000, respectively, through September 30, 2030.

There is also a master loan agreement in place between SCC and SAG. Borrowings from SAG consist of short-term fixed and floating rate loans. Loans from SAG were used to finance the Dotmatics acquisition by SAG. The loans payable of $8,215,201 as of September 30, 2025 to SAG are guaranteed by Siemens Corporation in an agreement dated July 1, 2025. Siemens Corporation guarantees SAG loans for up to $10,000,000 through September 30, 2025. The guarantee has been extended to September 30, 2026.

Additionally, on August 7, 2025, the $1,724,240 loan borrowing from SF BV matured and was renewed with a maturity date of March 16, 2027, for the same amount.

13. Short-Term Debt

The outstanding balance of short-term debt consists of the following at September 30:

(Dollars in Thousands)	**2025**		**2023**	
	Face Value	Carrying Value	Face Value	Carrying Value
Commercial paper	350,000	348,529	50,000	47,417
(Interest rate is 4.08% in fiscal year 2025 and 5.57% in 2024)				
Total Short-Term Debt	**350,000**	**348,529**	**50,000**	**47,417**

Commercial Paper Program

For working capital purposes, the Company has agreements with financial institutions under which it may issue up to $9,000,000 of commercial paper under a global multi-currency commercial paper program including the ability to issue USD extendable notes, guaranteed by Siemens AG. In fiscal year 2025 and 2024, the Company issued commercial paper in varying amounts to fund the ongoing short-term capital requirements of the Siemens North American affiliates. Typically, these commercial paper issuances have a maturity of 30 to 360 days. Interest rates for commercial paper issued in fiscal year 2025 ranged from 4.04% to 5.59% and from 5.06% to 5.59% for commercial paper issued in fiscal year 2024. The total interest expense on commercial paper is $121,541 and $121,850 in fiscal year 2025 and 2024, respectively and is included in the Statements of Comprehensive Income.

Credit Facilities

The Company participates in credit facilities which are available for general corporate purposes. The outstanding credit facilities as of September 30, 2025 includes a €7,000,000 facility agreement that was entered into on February 28, 2019, with a syndicate of international banks; it matures in 2026. This equates to credit facilities as of September 30, 2025 and 2024 of $8,218,700 and $7,837,200, respectively in committed unused lines of credit.

Debt Issuance Program

The Company also participates in a Debt Issuance Program with Siemens AG as lead sponsor, whereby the Company currently may issue up to €35 billion debt instruments. Currently, the Company does not have any debt instruments issued or outstanding under the program. All debt instruments are unconditionally and irrevocably guaranteed by Siemens AG.

14. Other Current Liabilities

Included in Other current liabilities are liabilities for checks, wire transfer payments and foreign exchange settlements that are outstanding due to timing. The Company processes payments on behalf of the Siemens North American affiliates through Siemens AG's in-house banking systems.

As of September 30, 2025 and 2024, ECL on short term loan commitments of $878 and $3,587, respectively are recorded as other current liabilities.

Other current liabilities include liabilities for income taxes payable (see Notes 6 and 8).

15. Accrued Liabilities

Accrued liabilities are mainly related to employee bonuses and fringe benefits. On September 30, 2025 and 2024, the accrued bonus expenses are $ 1,465 and $1,327 respectively. Fringe benefits include items such as employee payroll taxes, insurance, health and welfare related costs. On September 30, 2025 and 2024, the accrued fringe benefits are $2,593 and $4,100, respectively. Other accrued liabilities include liabilities related to vacation, salary and bank fees.

16. Other Liabilities

Other liabilities primarily consist of liabilities related to pension and other post-employment benefit plans and future minimum lease payments and unamortized finance expenses from real estate leases. On September 30, 2025 and 2024, the Company's pension plan and other post- employment liabilities were $572 and $600, respectively. Future minimum lease payments and unamortized finance expenses from real estate leases as of September 30, 2025 and 2024 have been recorded in the amount of $427 and $487, respectively.

As of September 30, 2025 and 2024, long-term ECL liabilities for loan commitments of $0 and $1,753, respectively are recorded as other liabilities.

17. Derivative Financial Instruments and Hedging Activities

As part of the Company's risk management program, a variety of derivative financial instruments are used to reduce risks related to foreign currency exchange rates and interest rates, as well as to reduce credit risk. The following is a summary of the Company's risk management strategies and the effect of these strategies on the financial statements.

Increasing market fluctuations may result in significant cash flow and earnings volatility risk for the Company. The Company's operating business as well as its investment and financing activities are affected by changes in foreign exchange rates and interest rates. The Company seeks to manage and control these risks primarily through its regular operating and financing activities and uses derivative financial instruments when deemed appropriate.

Foreign Currency Exchange Risk Management

Siemens has a company-wide portfolio approach which generates a benefit from any potential offset of divergent cash flows in the same currency, as well as optimized transaction costs.

Acting in a centralized treasury capacity primarily on behalf of the Siemens AG North American affiliates, SCC assumes the risk of fluctuations of foreign currencies that arise from the international activities of these companies by entering into foreign exchange rate derivative contracts with the respective entities. An additional foreign exchange rate risk exists on the Company's foreign currency denominated receivables from and liabilities to affiliates. The Company mitigates its foreign currency exchange rate exposure associated with fluctuations in foreign currency denominated intercompany borrowings and foreign currency exchange contracts with affiliates by entering into foreign exchange and cross-currency interest rate derivatives with unrelated third-party financial institutions and Siemens AG. The affiliate and third-party derivative financial instruments are recorded at fair value in the Balance Sheets, and the changes in fair value are included in the Statements of Comprehensive Income in accordance with IFRS 9.

Transaction Risk and Currency Management

Siemens AG's international operations expose the Company to 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 some of those exposures.

Foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. Each Siemens affiliate conducting business with international counterparties that leads to future cash flows denominated in a currency other than its functional currency is exposed to the risk from changes in foreign exchange rates.

The Controlling and Finance department of Siemens AG provides a framework of the organizational structure necessary for foreign currency exchange management, proposes hedging strategies, and defines the hedging instruments available to the entities: spot contracts, forward contracts, currency swaps, currency put and call options and stop-loss orders. The execution of the hedging transactions in the global financial markets is done by the Company as a service provider primarily for the Siemens AG North American affiliates on behalf of the worldwide Corporate Treasury function.

Within the various methodologies to analyze and manage risk, Siemens AG implemented a system based on "sensitivity analysis". This tool enables the Company to identify its risk position and evaluate the exposure in the event that certain specified parameters were to be met. The risk estimate provided here assumes foreign exchange rates for all currencies depreciating by 10% against the USD. Depending on SCC's net currency position, this could result in an appreciation or depreciation.

The Company aggregates the net foreign exchange rate exposure of its operations. As of September 30, 2025, and 2024, a 10% negative/positive shift of the USD against all foreign currencies would have resulted in an insignificant change in future cash flows for fiscal year 2025 and 2024, respectively. Future changes in the foreign exchange rates can impact net income, the extent of which is determined by the matching of foreign currency gains and losses.

Siemens defines foreign currency exposure generally as balance sheet items in addition to foreign currency denominated cash inflows and cash outflows from future transactions. This foreign currency exposure is determined based on the respective functional currencies used by the Company.

Changes in USD values of future cash flows denominated in foreign currency due to volatile foreign exchange rates might influence the unhedged net positions.

(Dollars in Millions)	2025						
	EUR	**CAD**	**MXN**	**CHF**	**AUD**	**Other**	**Total**
Balance sheet – financial receivables	203	1,174	127	2	6	109	1,622
Balance sheet – financial liabilities	(192)	(400)	(149)	(853)	(108)	(117)	(1,820)
Net balance sheet exposure	11	774	(22)	(851)	(102)	(8)	(198)
Foreign exchange transaction exposure – third parties	654	(869)	38	863	99	57	842
Foreign exchange transaction exposure – affiliates	(671)	113	(25)	(13)	3	(53)	(645)
Economically hedged exposure	(17)	(755)	13	851	102	3	197
Change in future cash flows after hedging activities resulting from a 10% depreciation of the USD	**-1**	**2**	**-1**	**0**	**0**	**0**	**0**

(Dollars in Millions)	2024						
	EUR	**CAD**	**MXN**	**CHF**	**AUD**	**Other**	**Total**
Balance sheet – financial receivables	271	905	5	2	42	29	1,254
Balance sheet – financial liabilities	(296)	(380)	(5)	(888)	(49)	(35)	(1,653)
Net balance sheet exposure	(25)	525	0	(886)	(7)	(6)	(399)
Foreign exchange transaction exposure – third parties	641	(682)	1	869	(5)	(6)	818
Foreign exchange transaction exposure – affiliates	(617)	170	(1)	17	12	9	(410)
Economically hedged exposure	24	(512)	0	886	7	3	408
Change in future cash flows after hedging activities resulting from a 10% depreciation of the USD	**0**	**1**	**0**	**0**	**0**	**0**	**1**

As of September 30, 2025, and 2024, the Company had total forward foreign exchange contracts outstanding with notional USD equivalent amounts of $5,628,356 and $5,671,593 and had unrealized net gains and losses of $4,444 and $6,433 in 2025 and 2024, respectively. The fair value of the above forward foreign exchange contracts is reflected in Positive fair value of derivatives of $69,865 and $65,829 as of September 30, 2025, and 2024, respectively, and in Negative fair value of derivatives of $65,421and $59,396 as of September 30, 2025 and 2024, respectively.

A portion of foreign exchange contracts outstanding includes a notional USD equivalent of $2,212,664 and $2,352,028 related to the North American Affiliates, which had unrealized net losses of $20,356 and gains of $16,200 in fiscal year 2025 and 2024, respectively. The foreign exchange contracts also include cross-currency interest rate swaps related to Siemens AG with a notional amount of $163,253 and $164,078 in fiscal years 2025 and 2024, respectively which had unrealized net gain of $2,015 and losses of $2,251 in fiscal year 2025 and 2024, respectively.

Interest Rate Risk Management

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in interest rates. To optimize the Company's position regarding interest income and interest expense and to minimize the overall financial interest rate risk, CF F and the Company manages interest rate risk. Part of the interest rate risk management concept is to match interest maturities of hedges with the intended maturities of assets and liabilities.

Market fluctuations in interest rates are not expected to change net interest income significantly since both financial assets and liabilities are affected. Until the implementation of the Interest Management 2.0 Initiative in September 2023, the Company mitigated interest rate risk by entering into interest rate derivative financial instruments with SAG, mainly interest rate swaps, U.S. Treasury and Euro-Dollar futures, and to a lesser extent, cross currency swaps, forward rate agreements and interest rate caps. Interest rate swap agreements were used to economically hedge a portion of the Company's receivables and debt that is subject to variable or fixed interest rates.

During the fourth quarter of Fiscal 2023, as changing conditions required an adjustment of the current interest rate risk management activities (i.e. the Interest rate environment materially changed from "falling rates with low volatility" to "(fast) rising rates with high volatility), CF F changed its global hedging strategy to a more simplified approach with holistic management of the interest rate position that enables a reduction of the derivatives position both externally and internally.

In 2024, the company entered into interest rate derivatives to partially hedge the SFM $1,724,240 billion borrowing that was terminated via a debt assumption agreement with SF BV in August 2024. The interest rate derivatives were also terminated. See note 12. Interest rate risk will instead mainly be managed considering the alignment of internal and external financing positions with linking the source of funds and the use of funds.

Fair Value Hedging of Fixed-Rate Debt Obligations

Interest rate swap contracts are reflected at fair value in the Company's Balance Sheets. For those hedging relationships that qualify for fair value hedging under IAS 39, the related portion of fixed-rate debt being hedged is reflected at an amount equal to the sum of its book value and an amount representing the change in fair value of the debt obligations attributable to the interest rate risk being hedged. Changes in the fair value of interest rate swap contracts, and the offsetting changes in the adjusted carrying value of the related portion of the fixed-rate debt being hedged, are recognized in the Statements of Comprehensive Income as adjustments to (Loss) gain on financial instruments, net.

There were no outstanding interest rate swap agreements as of fiscal year 2025 and 2024, respectively. Terminations of interest rate swaps resulted in a realized gain of $0 and $22,129 in fiscal year 2025 and 2024, respectively

Net cash receipts and payments relating to the above-mentioned interest rate swap agreements are also recorded in (Loss) gain on financial instruments, net.

Non-Hedging Interest Rate Derivative Financial Instruments

The company did not hold any interest rate swaps or interest rate futures contracts as of September 30, 2025 and 2024 in alignment with the CF F Interest Management 2.0 initiative.

The notional amounts of these contracts matured or were terminated at varying dates based on the maturity or termination of the underlying hedged items. All interest rate derivative instruments that do not qualify for hedge accounting under IAS 39 are recorded at net fair value (including accrued interest) with the changes in fair value (including accrued interest) recognized in (Loss) gain on financial instruments, net. The net realized gains (losses) related to interest rate derivatives were recorded in (Loss) gain on financial instruments, net in the amount of $0 and $22,066 for the years ended September 30, 2025 and 2024, respectively.

Non-Hedging Derivative Financial Instruments Summary

The Company's derivative financial instruments have various maturities with an ultimate maturity of greater than ten years.

The following is a table of derivative instruments outstanding notional volumes as of September 30:

(Dollars in Thousands)	2025	2024
Derivatives not designated as hedging instruments under IFRS 9		
Foreign exchange contracts	5,628,356	5,671,593
Total	**5,628,356**	**5,671,593**

The following are fair values of each type of derivative financial instrument as of September 30:

(Dollars in Thousands)	Positive Fair Value of Derivatives		Negative Fair Value of Derivatives	
	2025	2024	2025	2024
Derivatives not designated as hedging instruments under IFRS 9				
Foreign exchange contracts	69,865	65,829	65,421	59,396
Total	**69,865**	**65,829**	**65,421**	**59,396**

The following are the effects of the derivative instruments in (Loss) gain on financial instruments, net in the Statements of Income for the years ended September 30:

(Dollars in Thousands)	Amount of Gain (loss) Recognized in Income	
	2025	2024
Derivatives not designated as hedging instruments under IFRS 9		
Interest rate swap contracts	0	22,066
Foreign exchange contracts	58,791	29,411
Total	**58,791**	**51,477**

18. Financial Risk Management

Credit Risk Management

Effective monitoring and controlling of credit risk is a core competency of Siemens AG's risk management system. Siemens AG has implemented a worldwide binding credit policy.

Credit evaluations and/or ratings are performed on all counterparties with an exposure or requiring credit beyond a defined limit.

Counterparty ratings are analyzed and defined by a designated Siemens AG department. Individual counterparty limits are based on generally accepted rating methodologies, the input from external rating agencies and Siemens AG's default experiences. Such ratings are processed by internal risk assessment specialists. Ratings and credit limits are carefully considered in determining the conditions to enter into derivative contracts with counterparties. The Company does not net outstanding derivatives positions with the same counterparties.

The Company has a concentration of credit risk related to its receivables from affiliates which are viewed as Siemens intercompany positions and loan commitments. Please refer to ECL in Note 10.

The maximum credit exposure for all financial assets equals its fair value amounts as disclosed on Note 19. The Company typically does not require collateral from counterparties.

Liquidity Risk Management

Liquidity risk results from the Company's potential inability to meet its financial liabilities including settlement of its financial debt, or for ongoing cash requirements from operating activities. Because the Company's funding is primarily through its affiliates, the liquidity risk is that funding may not be available to the Company to enable it to meet its obligations if the affiliates are unable or unwilling to provide the necessary funding. The Company has $4,453,330 and $ 4,465,643 of borrowings from SFBV as of September 30, 2025 and 2024, respectively. These borrowings are primarily assumed to fund continuing operations and Siemens acquisitions. Siemens Corporation guarantees SFBV loans for up to $5,000,000 through September 30, 2025. The guarantee has been extended to September 30, 2026. The Company also has $7,074,144 and $0 of borrowings from Siemens Funding B.V and $8,215,201 and $3,846,837 of borrowings from SAG as of September 30, 2025, and 2024, respectively. The borrowings from Siemens Funding B.V. were used for the Altair acquisition by SAG and the borrowings from SAG were used partially for the Dotmatics acquisition by SAG and primarily assumed to fund continuing operations. Siemens Corporation guarantees Siemens Funding B.V. loans for up to $7,000,000, through September 30, 2030. Siemens Corporation guarantees SAG loans for up to $10,000,000 through September 30, 2025. The guarantee has been extended to September 30, 2026.

In addition to effective net working capital and cash management, the Company mitigates liquidity risk through parent company financing and arranged borrowing facilities with highly rated financial institutions, via a debt issuance program, a global multicurrency commercial paper program and revolving facility agreement. The Company's third-party financing is guaranteed by Siemens AG.

The Company's capital resources consist of a variety of short-term and long-term financial instruments including, but not limited to, commercial paper, as well as credit facilities. In addition to Cash and cash equivalents, liquid resources consist of future cash flows from operating activities.

19. Fair Value of Financial Instruments

IFRS 7, Financial Instrument Disclosure, requires an entity to disclose the fair value of assets and liabilities in a way that permits it to be compared with the corresponding carrying amount in the Balance Sheets. The estimation of fair values of financial instruments is based on comparable transactions, discounted future cash flows, quoted market prices, and/or estimates of the costs to terminate or otherwise settle comparable contracts. Assets and liabilities that are reflected in the financial statements at fair value, or at a carrying amount that approximates fair value, are not included in the table contained herein. Such assets and liabilities include Cash and cash equivalents, Trade and other receivables, Receivables from affiliates, net – current, Positive fair value of derivatives, Liabilities to affiliates – current, and Negative fair value of derivatives.

The fair value estimates made as of September 30, 2025 and 2024, were based upon pertinent market data and relevant information on the financial instrument at that time. These estimates do not reflect any premium or discount that could result from offering for sale at one time the entire portion of the financial instrument. Since no market exists for a portion of the financial instruments, fair value estimates may be based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The following table presents the carrying values and fair values of the Company's financial instruments not measured at fair value on the balance sheet as of September 30:

(Dollars in Thousands)	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments included in the balance sheets:				
Assets:				
Long-term receivables from affiliates	13,552,783	14,024,843	6,768,977	6,808,024
Liabilities:				
Short-term debt	348,529	350,000	47,417	50,000
Long-term liabilities to affiliates	11,405,978	12,531,980	2,728,588	2,907,262

The following table allocates the Company's financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy as of September 30:

(Dollars in Thousands)	2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Long-term receivables from affiliates	-	14,024,843	-	14,024,843
Derivative financial instruments	-	69,865	-	69,865
Total	**0**	**14,094,708**	0	**14,094,708**
Financial liabilities measured at fair value:				
Short-term debt	-	350,000	-	350,000
Long-term liabilities to affiliates	-	12,531,980	-	12,531,980
Derivative financial instruments	-	65,421	-	65,421
Total	**0**	**12,947,401**	**0**	**12,947,401**

(Dollars in Thousands)	2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Long-term receivables from affiliates	-	6,808,024	-	6,808,024
Derivative financial instruments	-	65,829	-	65,829
Total	**0**	**6,873,853**	0	**6,873,853**
Financial liabilities measured at fair value:				
Short-term debt	-	50,000	-	50,000
Long-term liabilities to affiliates	-	2,907,262	-	2,907,262
Derivative financial instruments	-	59,396	-	59,396
Total	**0**	**3,016,658**	**0**	**3,016,658**

The Company did not hold any Level 1 and 3 assets or liabilities in fiscal year 2025 and 2024.

20. Commitments and Contingencies

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SCC incurs rental costs associated with its primary location in Iselin, New Jersey. During Fiscal 2023, the Company has entered into a 10-year office lease at 200 Wood Avenue South, Iselin, NJ 08830 with Siemens Real Estate, a division of Siemens Corporation. The net rental payments were $135 and $129 for fiscal year 2025 and 2024, respectively. In addition to rental payments, operating expenses including maintenance costs and service fees are charged.

SCC has entered into forward-starting loans with affiliated companies. The total nominal value of the forward-starting loans is $450,054 and $1,203,426 as of September 30, 2025, and 2024, respectively. The resulting loans will be covered by the Siemens Corporation guarantee. The resulting credit risk has been included in the ECL calculation.

21. Member's Equity

The Company is a limited liability company directly and wholly owned by Siemens Corporation who is its sole member. The Company has no shares and no authorized share equity as of September 30, 2025 and 2024.

The Company has evaluated subsequent events through December 5, 2025 and has determined that no subsequent events have occurred that would require disclosure in the financial statements or accompanying notes.