

**Audit Report on Consolidated Financial Statements
issued by an Independent Auditor**

**SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the fiscal year ended
September 30, 2020**



AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at September 30, 2020, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the fiscal year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at September 30, 2020 and of its financial performance and its consolidated cash flows, for the fiscal year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on construction contracts

Description Siemens Gamesa Renewable Energy Group conducts a significant portion of its business under construction contracts. Revenue recognition for such contracts is recognized in accordance with IFRS 15, *Revenue from Contracts with Customers*, generally by applying the percentage-of-completion (“PoC”) method.

We consider the accounting for construction contracts to be an area with a significant risk of material misstatement (including the potential risk of management override of internal controls) and, accordingly, a key audit matter, because management’s estimates significantly impact the determination of the extent of progress towards completion. These estimates include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations, total estimated contract costs, remaining cost to complete the contract, total estimated contract revenues as well as contract risks, including technical, regulatory, political and legal risks.

Revenue, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new or additional information, among others, about cost overruns and changes in project scope over the term of a construction contract.

Revenue recognition according to the POC method requires Group management to make significant estimates regarding the planned revenues and costs, as well as the margin and the percentage of completion for each contract. Since revenues are recognized based on the estimates in each period, there is a high degree of management judgement involved. Furthermore, in fiscal year 2020 the effects of the coronavirus pandemic (COVID-19) impacted significantly in these estimates, what required the evaluation of the accounting treatment of circumstances such as delays in project execution, access restrictions or short-term interruptions to supply chain as well as the application of law clauses related to compensation for damages or contractual penalties for delays in delivery. For these reasons, we have considered this matter as a key audit matter for our audit.

The disclosures regarding revenue recognition on construction contracts are presented in the attached notes to the consolidated financial statements under note 3.U “Accounting principles and policies and key judgments and estimates”. The disclosures regarding contracts with clients are presented under note 11 “Customer contracts” and disclosures regarding provisions for impending order related losses and other risks are presented under note 19 “Provisions”.

Our response Our audit procedures have included, among others, the following:

- ▶ We obtained an understanding of the Group’s established methods, processes and internal control mechanisms for project management in the bid and execution phases of construction contracts. In this regard, we assessed the design and operating effectiveness of the accounting-related internal controls by obtaining an understanding of business transactions specific to construction contracts from the initiation of the transaction through presentation in the consolidated financial statements, and testing controls over these processes.

- ▶ As part of our substantive audit procedures, we evaluated management's estimates and assumptions based on the selection of a sample of contracts, selected considering both the significance of the contract volumes and the related risk, applying analytical review procedures to identify unusual elements in the margins obtained throughout the execution of project. Our sample particularly included projects that are subject to significant future uncertainties and risks, such as fixed-price or turnkey projects, projects with complex technical requirements or with a large portion of materials or services to be provided by suppliers, subcontractors, cross-border projects, projects in regions particularly affected by COVID-19 pandemic and projects with changes in cost estimates, delays and/or low or negative margins.
- ▶ We also reviewed a sample of contracts, evaluating their terms and conditions including contractually agreed partial deliveries and services, termination rights, penalties for delay and breach of contract as well as liquidated damages.
- ▶ We further performed inquiries of project management with respect to the development of the projects for which they are responsible, including the effects of COVID-19 on project execution, the reasons for deviations between planned and actual costs, the estimated costs to complete the projects and current costs, and management's assessment on probabilities that contract risks will materialize. Moreover, we obtained evidence from third parties for the selected projects (for example, documentation of project acceptance, contract conditions, lawyer confirmations for alleged breaches of contract and claims made).
- ▶ We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Provisions for warranties, including legal, quality or project-related matters

Description The accounting for provisions for warranties, including legal, quality or project-related matters is a key audit matter. The area is particularly uncertain and requires estimates that could significantly influence the recognition and measurement of respective provisions and thus, the financial position and results of Group operations. The uncertainties and the judgmental areas refer mainly to the expected failure rates, expected repair costs, complexity of the necessary repair or replacement work, the expected period of cash outflows, the discount rates and estimated probability and potential magnitude to determine if a provision is required to account for the risks. As a consequence, there is significant judgement associated with the provisions to cover these risks.

The Company's disclosures regarding the accounting treatment of provisions are presented in the attached notes to the consolidated financial statements in note 3.K "Accounting principles and policies and key judgments and estimates". The Company's disclosures regarding provisions are presented in note 19 "Provisions".

Our response Our audit procedures have included, among others, the following:

- ▶ We obtained an understanding of the Group's internal control environment, processes and mechanisms for the calculation and the accounting of warranty provisions, including legal, quality or project-related matters. We assessed the design and the effectiveness of the internal controls related to the recognition and measurement of provisions, identification of the obligation and the process of monitoring the evolution of the provision, including the deviation analysis in the assumptions considered in the calculations and their actual and expected future use.
- ▶ We performed a general analytical review of the movement of the different existing provisions, obtaining evidence and supporting documentation that corroborate our expectations and management's responses to our inquiries and that provide an understanding of the reasons and factors that resulted in the most significant variations and deviations.
- ▶ In addition, we performed substantive audit procedures, both, on the model and methodology used by management, with the support of our specialists, and through the selection of a sample of provisions based on quantitative and risks criteria.
- ▶ For the selected sample of projects, we reviewed the supporting documentation of the reasonableness of the provisions, validating the consistency with the most up-to-date internal technical reports and, when available, also with the conclusions of internal and external advisors on the most significant technical issues. In addition, we compared the expected failure rates and the expected average repair costs with the actual values incurred and reviewed the updates made in the related warranty provisions, focusing our review on the expected failure rates, the expected repair costs and expected cash outflows for the period, as well as the discount rates. For the planned repair costs, we made inquiries through interviews with the project managers evaluating their reasonableness based on the actual costs incurred.
- ▶ We have inquired internal legal advisors and compliance responsible and have had access to written confirmations and reports, prepared by management, internal legal advisors and, if deemed necessary, external legal advisors regarding the pending legal proceedings, claims and potential regulatory non-compliance, all of these, with the aim to evaluate the scope and result of the assessments performed by management in relation with the probability and potential magnitude of the related risks and also in relation with the definition, if any, of provisions to be registered and disclosures to be included in the notes of the consolidated financial statements.
- ▶ We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Measurement at fair value and net realizable value

Description The accounting treatment of measurement of fair value and net realizable value is a key audit matter as the Group has a significant amount of goodwill, intangible assets and inventories. The measurement of these matters is particularly uncertain and requires estimates that could significantly influence the amounts accounted for and thus the financial position and results. The uncertainties and judgmental estimates particularly concern assessing the fair value of these assets according to IFRS 13.

In addition, goodwill and intangible assets with an indefinite-life must be tested for impairment on an annual basis by determining the recoverable amount of these assets, being the higher of value-in-use and fair value less costs to dispose. This requires significant judgements on current market conditions such as future price expectation as well as expected growth rates, the timing of future cash flows and the most appropriate discount and long-term growth rates. As a consequence, there is significant judgement regarding the measurement of fair value and net realizable value of these assets.

The Company's disclosures regarding the accounting treatment of measurement of fair value and net realizable value are presented in note 3 "Accounting principles and policies and key judgments and estimates" of the accompanying consolidated financial statements. The information disclosed regarding fair value measurements is presented in note 4 "Acquisitions, dispositions and discontinued operations". Likewise, the information related to the main assumptions used in the impairment test is described in note 13 "Goodwill".

Our response Our audit procedures have included, among others, the following:

- ▶ We have obtained an understanding of the Group's internal control methodology, processes and mechanisms for fair value assessment.
- ▶ In relation to the impairment tests performed for goodwill and intangible assets, we validated the key assumptions used by management with external market data where possible. With the assistance of our valuation specialists, we verified the calculation methodology applied with regard to the discounted cash flow model used in determining the recoverable amounts of the assets and the requirements according to IFRS 13. Furthermore, we analysed whether the assumptions and judgmental estimates used in determining the future cash flows as well as the parameters used are in line with the accounting treatment.

We also inquired management and challenged the judgements made to assess the parameters used and the estimated cash flows. Additionally, we recalculated the models used to support the recoverable amount of the assets and reconciled expected future cash flows, among other, with internal business plans. We inquired management of the key assumptions and obtained evidence for the explanations provided by comparing key assumptions to market data, underlying accounting records, past performance and forecasts.

- ▶ We also tested management's sensitivity analyses around key assumptions i.e. average future growth rate, long-term average growth rate and discount rate applied for the segments and challenged management on the outcomes of the assessment.
- ▶ In addition, we verified that inventories are measured at the lower of cost or net realizable value if lower. In addition, we assessed the reasonability of the quantity risks, technical risks and price risks used by management to calculate the inventory net realizable value. We also inquired management and challenged the judgements made regarding future price estimates, the potential project pipeline related to these inventories and the assessment of technical obsolescence used to determine the realizable value.
- ▶ We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Senvion Deutschland GmbH y Ria Blades, S.A. acquisitions

Description On October 20, 2019, Siemens Gamesa signed an investment agreement with Senvion GmbH i.l. to acquire Senvion Deutschland GmbH and certain assets related to Senvion's wind turbine blade manufacturing business (Ria Blades, S.A.). These acquisitions have been completed on January 9, 2020 and April 30, 2020, respectively, after fulfillment of the conditions specified in the agreement. The purchase price of both transactions amounts to 200 million euros (subject to additional price adjustments).

As a result of the preliminary allocation of the resulting total purchase price to assets acquired and liabilities assumed, there have been, among others, increases in Other Intangible Assets and Goodwill amounting to 146 million euros and 74 million euro, respectively.

We have considered the preliminary purchase price allocation and the processing of the initial consolidation of the acquired companies a key audit matter, given the significance of the Goodwill and Other intangible assets recorded in the accompanying consolidated annual accounts as a result of these transactions, as well as the relevance of the judgments and estimates inherent in the application of uniform accounting policies of the entities in terms of measurement of inventory, provisions and the adoption of the accounting methodology of the percentage of completion method primarily to account for service contracts.

Information on the recording and valuation of acquisitions and business combinations is presented in note 3-F "Accounting principles and policies and key judgments and estimates" of the accompanying consolidated financial statements. Information related to the main impacts of these acquisitions is described in notes 1.B "Acquisition of the European onshore services business and Senvion's wind turbine blade manufacturing business" and 4 "Acquisitions, disposals and discontinued operations".

Our response Our audit procedures have included, among others, the following:

- ▶ We have gained an understanding of the Group's methodology, processes and internal control mechanisms followed in the business combination in relation to both the purchase price allocation process and the harmonization process with Siemens Gamesa's own accounting policies of the initial consolidation including the identification and evaluation of the design and implementation of the relevant controls.
- ▶ We have obtained and reviewed the available reports and supporting documentation prepared internally and/or by an external specialist in connection with these acquisitions. In this context, we have assessed the appropriateness of the valuation reports as audit evidence.
- ▶ We have also involved internal specialists who have expertise in business valuation in order to assess the methodology applied and the main assumptions used to establish the fair value of the assets and liabilities acquired.
- ▶ We have reviewed the management's assessment of the potential tax risks arising from these acquisitions, with the involvement of our specialists in this area.

- ▶ We have obtained the impacts calculated by management as a result of the application of uniform accounting policies of the entities in the measurement of inventories, provisions and the adoption of the accounting methodology of the percentage of completion method primarily to account for service contracts in order to assess the reasonableness of the main assumptions. In addition, for a sample of items, we have validated the calculations prepared by management with the corresponding supporting documentation.
- ▶ We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Impacts assessment of the restructuring plan in India

Description As a result of the deterioration of the Indian market in fiscal year 2020, exacerbated further by COVID-19, Management initiated a restructuring of its Indian wind turbine operations in order to adapt to the current market conditions and reduced market outlooks.

Decisions and measures taken in the context of this plan have significantly impacted the accounting estimation process inherent in the valuation of the main assets concerned, with the registration of impairments of Fixed Assets and Other intangible assets amounting to 11 million euro and 82 million euro, respectively, and valuation corrections in inventories amounting to 126 million euro.

We consider the impacts assessment of the restructuring plan in India a key audit matter as it requires estimates with respect to the recoverability of intangible and tangible assets and inventories on which abandonment decisions have been made and that involve significant judgments and estimates with respect to the recoverability of these assets. The information relating to the valuation accounting principles for fixed assets and inventories is detailed into notes 3.J and 3.E "Accounting principles and policies and key judgements and estimates" of the accompanying consolidated financial statements. In addition, the above impact information is described in note 29.C "Revenues and Expenses - Personnel Expenses".

Our response Our audit procedures have included, among others, the following:

- ▶ Obtained an understanding of the current business situation and management plan to address the current market conditions.
- ▶ We have gained an understanding of the processes and internal controls established by management with respect to the assessment of the recoverable amount of assets including key assumptions applied.
- ▶ We examined the documentation supporting the impairment charges, conducted inquiries to validate the reasonableness of the estimates and judgments and reperformed the calculation of management.
- ▶ We further assessed whether conditions for recognizing provisions for personnel measures have been met as of September 30, 2020.
- ▶ We have reviewed the disclosures included in the notes of the consolidated financial statements in accordance with the applicable financial information regulatory framework.

Other information: consolidated management report

Other information refers exclusively to the 2020 consolidated management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

- a. A specific level applicable to the non-financial information statement, as well as certain information included in the Annual Corporate Governance Report, as defined in article 35.2 b) of the Audit Law 22/2015, which solely requires that we verify whether said information has been included in the management report or where applicable, that the management report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.
- b. A general level applicable to the remaining information included in the consolidated management report, which requires us to evaluate and report on the consistency of said information in the financial statements, based on our knowledge of the Group obtained during the audit, excluding the information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the consolidated management report, and that the remaining information contained therein is consistent with the information provided in the 2020 consolidated financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company's directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain 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 consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee of the Parent company on November 27, 2020.

Term of engagement

The ordinary general shareholders' meeting held on July 22, 2020 appointed us as auditors of the Group for 1 year, commencing on September 30, 2019.

Previously, we were appointed as auditors by the shareholders for 6 year and we have been carrying out the audit of the consolidated financial statements continuously since the year ended December 31, 2014.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signature on the original in Spanish)

Ana María Prieto González
(Registered in the Official Register of
Auditors under No. 18888)

November 27, 2020

**Siemens Gamesa Renewable Energy, S.A. and
subsidiaries composing SIEMENS GAMESA
Group**

Consolidated Financial Statements and Management's
Report for the year ended September 30, 2020

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APPENDIX

MANAGEMENT REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
COMPOSING SIEMENS GAMESA GROUP
CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	09.30.2020	09.30.2019 (*)
Assets			
Cash and cash equivalents	7	1,621,793	1,727,457
Trade and other receivables	8	1,140,855	1,286,781
Other current financial assets	9	212,077	274,736
Receivables from SIEMENS ENERGY Group (**)	30	631	21,516
Contract assets	11	1,537,953	2,056,255
Inventories	12	1,820,137	1,863,919
Current income tax assets		197,543	207,445
Other current assets	20	398,108	461,265
Total current assets		6,929,097	7,899,374
Goodwill	13	4,550,105	4,744,153
Other intangible assets	14	1,779,511	1,915,730
Property, plant and equipment	15	2,239,155	1,425,901
Investments accounted for using the equity method	16	66,353	70,876
Other financial assets	9 and 17	234,573	143,462
Deferred tax assets	27	528,914	400,538
Other assets		4,127	89,379
Total non-current assets		9,402,738	8,790,039
Total assets		16,331,835	16,689,413
Liabilities and equity			
Financial debt	9 and 18	434,313	352,209
Trade payables		2,956,372	2,599,836
Other current financial liabilities	9	126,666	130,396
Payables to SIEMENS ENERGY Group (**)	30	8,121	285,690
Contract liabilities	11	3,147,830	2,839,670
Current provisions	19	723,149	761,730
Current income tax liabilities		177,399	200,964
Other current liabilities	20	761,089	797,563
Total current liabilities		8,334,939	7,968,058
Financial debt	9 and 18	1,236,095	512,226
Post-employment benefits	21	19,862	14,823
Deferred tax liabilities	27	228,907	320,446
Provisions	19	1,422,071	1,400,252
Other financial liabilities	9	126,324	169,835
Other liabilities	22	28,775	30,968
Total non-current liabilities		3,062,034	2,448,550
Issued capital	23.A	115,794	115,794
Capital reserve	23.B	5,931,874	5,931,874
Unrealised asset and liability revaluation reserve	23.C	(8,745)	(4,520)
Retained earnings		(232,577)	712,833
Treasury shares, at cost	23.E	(23,929)	(21,616)
Currency translation differences		(848,323)	(464,261)
Non-controlling interest	24	768	2,701
Total equity		4,934,862	6,272,805
Total liabilities and equity		16,331,835	16,689,413

(*) Figures presented for comparative purposes only.

(**) As of September 30, 2020, it only refers to balances maintained with SIEMENS ENERGY Group companies, while as of September 30, 2019, it refers to balances maintained with companies of SIEMENS Group. See Notes 1.D and 30.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

**SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
COMPOSING SIEMENS GAMESA GROUP**

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
Revenue	25 and 29.A	9,483,209	10,226,879
Cost of sales		(9,592,899)	(9,278,647)
Gross profit		(109,690)	948,232
Research and development expenses	14	(231,403)	(207,936)
Selling and general administrative expenses		(624,374)	(496,249)
Other operating income		14,069	36,342
Other operating expenses		(6,178)	(27,727)
Income (loss) from investments accounted for using the equity method, net	16	(2,509)	(1,479)
Interest income	29.F	10,109	13,810
Interest expenses	29.G	(66,430)	(52,940)
Other financial income (expenses), net	29.H	(2,307)	(21,625)
Income from continuing operations before income taxes		(1,018,713)	190,428
Income tax	26	99,754	(49,490)
Income from continuing operations		(918,959)	140,938
Income from discontinued operations, net of income taxes		-	-
Net income		(918,959)	140,938
Attributable to:			
Non-controlling interests	24	(781)	936
Shareholders of Siemens Gamesa Renewable Energy, S.A.	25	(918,178)	140,002
Earnings per share in euros (basic and diluted)	33	(1.35)	0.21

(*) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

**SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
COMPOSING SIEMENS GAMESA GROUP**

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
Net income		(918,959)	140,938
Items that will not be reclassified to Profit and Loss			
Remeasurements of defined benefit plans	21	(4,173)	237
Tax effect	27	709	(94)
Items that may be subsequently reclassified into Profit and Loss			
Currency translation differences		(384,062)	258,246
Derivative financial instruments	23.C	(671)	(67,008)
Tax effect	23.C and 27	(4,238)	16,672
Amounts transferred to Profit and Loss			
Derivative financial instruments	23.C	(175)	8,210
Tax effect	23.C and 27	859	(2,469)
Other comprehensive income, net of taxes		(391,751)	213,794
Total comprehensive income		(1,310,710)	354,732
Attributable to:			
Non-controlling interests	24	(781)	936
Shareholders of Siemens Gamesa Renewable Energy, S.A.		(1,309,929)	353,796

(*) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
COMPOSING SIEMENS GAMESA GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Issued capital	Unrealised asset and liability Capital reserve	Unrealised asset and liability revaluation reserve	Retained earnings	Treasury shares, at cost	Currency translation differences	Non-controlling interests	Total equity
Balances as of September 30, 2018	115,794	5,931,874	40,075	583,832	(20,343)	(722,507)	2,226	5,930,951
Adjustments due to IFRS 9 (Note 2.D)	-	-	-	(4,645)	-	-	-	(4,645)
Balances as of October 1, 2018 (*)	115,794	5,931,874	40,075	579,187	(20,343)	(722,507)	2,226	5,926,306
Total comprehensive income for the year ended September 30, 2019	-	-	-	140,002	-	-	936	140,938
Other comprehensive income, net of income taxes	-	-	(44,595)	143	-	258,246	-	213,794
Dividends	-	-	-	(17,442)	-	-	(446)	(17,888)
Share-based payments (Note 3.R)	-	-	-	8,850	-	-	-	8,850
Treasury shares transactions (Note 23.E)	-	-	-	2,084	(1,273)	-	-	811
Other changes in equity	-	-	-	9	-	-	(15)	(6)
Balances as of September 30, 2019 (**)	115,794	5,931,874	(4,520)	712,833	(21,616)	(464,261)	2,701	6,272,805
Balances as of October 1, 2019	115,794	5,931,874	(4,520)	712,833	(21,616)	(464,261)	2,701	6,272,805
Total comprehensive income for the year ended September 30, 2020	-	-	-	(918,178)	-	-	(781)	(918,959)
Other comprehensive income, net of income taxes	-	-	(4,225)	(3,464)	-	(384,062)	-	(391,751)
Dividends	-	-	-	(35,152)	-	-	(523)	(35,675)
Share-based payments (Note 3.R)	-	-	-	8,913	-	-	-	8,913
Treasury shares transactions (Note 23.E)	-	-	-	2,442	(2,313)	-	-	129
Other changes in equity	-	-	-	29	-	-	(629)	(600)
Balances as of September 30, 2020	115,794	5,931,874	(8,745)	(232,577)	(23,929)	(848,323)	768	4,934,862

(*) Adjusted figures at October 1, 2018.

(**) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Translation of Consolidated Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (Note 37)

SIEMENS GAMESA RENEWABLE ENERGY, S.A. AND SUBSIDIARIES
COMPOSING SIEMENS GAMESA GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before taxes		(1,018,713)	190,428
Adjustments to reconcile income before taxes to cash flows from operating activities			
Interest (Income) expenses, net	29.F, 29.G and 29.H	58,628	60,755
Amortization, depreciation and impairments	14 and 15	844,197	646,791
Other (Income) losses from investments		12,467	(6,755)
Other non-cash (income) expenses		(1,701)	23,273
Change in operating net working capital			
Contract assets		289,791	(449,427)
Inventories		(48,460)	(342,766)
Trade and other receivables		117,314	(148,348)
Trade payables		336,143	170,615
Contract liabilities		373,018	1,126,440
Change in other assets and liabilities		(133,417)	(316,160)
Income taxes paid		(172,103)	(190,655)
Dividends received	17	780	5,384
Interest received		6,052	14,106
CASH FLOWS FROM OPERATING ACTIVITIES		663,996	783,681
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to intangible assets and property, plant and equipment	14 and 15	(601,285)	(497,766)
Acquisitions of businesses, net of cash acquired	4	(177,094)	-
(Purchase) Sale of investments		(14)	3,930
Disposal of intangible assets and property, plant and equipment		28,795	19,223
CASH FLOWS FROM INVESTING ACTIVITIES		(749,598)	(474,613)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Purchase) Sale of treasury shares	23.E	129	811
Debt with financial institutions and other obligations	18	249,223	(965,397)
Lease liabilities	18	(102,343)	-
Dividends paid		(35,675)	(17,888)
Interest paid		(53,804)	(55,131)
CASH FLOWS FROM FINANCING ACTIVITIES		57,530	(1,037,605)
EFFECT OF FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(77,592)	26,960
CHANGE IN CASH AND CASH EQUIVALENTS		(105,664)	(701,577)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,727,457	2,429,034
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,621,793	1,727,457

(*) Figures presented for comparative purposes only.

The accompanying Notes from 1 to 37 are an integral part of these Consolidated Financial Statements.

Siemens Gamesa Renewable Energy, S.A. and subsidiaries composing SIEMENS GAMESA Group

Notes to the Consolidated Financial Statements for the
year ended September 30, 2020

1. Formation of the Group and its activities

A. GENERAL INFORMATION

The Consolidated Financial Statements present the financial position and the results of operations of Siemens Gamesa Renewable Energy, S.A. (hereinafter, “the Company” or “SIEMENS GAMESA”), whose corporate address is located at Parque Tecnológico de Bizkaia, Building 222, Zamudio (Bizkaia, Spain), and its subsidiaries (together referred to as “the Group” or “SIEMENS GAMESA Group”).

SIEMENS GAMESA Group specialises in the development and construction of wind farms, as well as the engineering solutions, design, production and sale of wind turbines. The corporate purpose of the Company is to promote and foster companies, and to do so it may carry out the following operations:

- a) The subscription and purchase of shares or stocks, or of securities that can be converted into these, or which grant preferential purchase rights of companies whose securities are listed or not in national or foreign stock exchanges;
- b) The subscription and purchase of fixed-income securities or any other securities issued by companies in which they hold a stake, as well as the granting of participatory loans or guarantees; and
- c) To directly provide advisory services and technical assistance to the companies in which it holds a stake, as well as other similar services related to the management, financial structure and production or marketing processes of those companies.

These activities will focus on promotion, design, development, manufacture and supply of products, installations and technologically advanced services in the renewable energy sector.

All the activities comprising the aforementioned corporate purpose can be undertaken both in Spain and abroad, and can be carried out completely or partially, in an indirect manner, through the ownership of shares or stocks in companies with the same or similar purpose.

The Company will not undertake any activity for which the laws require specific conditions or legal limitations, unless these conditions or limitations are exactly fulfilled.

Its activities are divided into two business segments: (i) Wind Turbines and (ii) Operation and Maintenance. The Wind Turbines segment offers wind turbines for various pitch and speed technologies, as well as provides development, construction and sale of wind farms. The Operation and Maintenance segment is responsible for the management, monitoring and maintenance of wind farms.

In addition to the operations carried out directly, SIEMENS GAMESA is the head of a group of subsidiaries that engage in various business activities and which compose, together with the Company, SIEMENS GAMESA Group. Therefore, in addition to its own separate Financial Statements, the Company is obliged to present Consolidated Financial Statements for the Group including its interests in joint ventures and investments in associates. The companies that are part of the Group are listed in the Appendix. The Group’s corporate structure does not directly reflect the segments since a significant part of the companies are multi-segment (that is, they carry out activities in both segments).

SIEMENS GAMESA Group's Consolidated Financial Statements for the year ended September 30, 2020 have been issued for approval by the Directors in the Board of Directors held on November 27, 2020.

The Company's Bylaws and other public information of the Company are available on the website www.siemensgamesa.com and at its corporate address.

SIEMENS GAMESA Group prepares and reports its Consolidated Financial Statements in thousands of euros. Due to rounding, numbers presented may not add up precisely to the provided totals.

B. ACQUISITION OF THE EUROPEAN ONSHORE SERVICES BUSINESS AND THE WIND TURBINE BLADE PRODUCTION BUSINESS OF SENVION

On October 20, 2019, Senvion GmbH i.L. and Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal (S.L. *Unipersonal*, hereinafter, "S.L.U.") signed an Investment Agreement to acquire the operation and maintenance business in Europe (Senvion Deutschland GmbH) and certain assets of the wind turbine blade production business (Ria Blades, S.A.) from Senvion.

On January 9, 2020, Siemens Gamesa Renewable Energy Eólica, S.L.U. acquired all the shares of Senvion Deutschland GmbH (Senvion European Onshore Services), the entity which owns the carved-out European onshore service business of Senvion and certain additional assets associated to the business, including certain related intellectual property.

On April 30, 2020, Siemens Gamesa Renewable Energy, S.A. (hereinafter, "SGRE Portugal") acquired all the shares of Ria Blades, S.A., the entity which owns and operates a wind turbine blades production facility in Vagos (Portugal) and certain additional assets associated to said business.

The shares have been transferred free of any security, encumbrances or charges of any nature whatsoever.

These acquisitions have been consummated after the fulfilment of all the closing conditions, such as the consent of the competent authorities, the implementation of the carve-out, the completion of full security release and the operational readiness of the relevant target entities.

These acquisitions are in line with SIEMENS GAMESA's strategy to grow its multibrand service business, its production capacities and strengthen SIEMENS GAMESA's competitive position in Europe. As stipulated in the Investment Agreement, the overall price to be paid in cash for the shares of Senvion Deutschland GmbH and Ria Blades, S.A. amounts to EUR 200 million, subject to closing accounts confirmation adjustments. The closing accounts related adjustment mechanism for working capital, debt, maintenance cost and backlog deviations since June 30, 2019 until January 9, 2020 has different caps and leads to a maximum overall price to be paid by SIEMENS GAMESA Group of EUR 215 million, in case of positive adjustments, and a minimum overall cash consideration of EUR 180 million, in case of negative adjustments, considering that SIEMENS GAMESA Group could be entitled to further obtain, under certain circumstances, up to EUR 10 million of additional current assets, without change in the consideration paid.

The price adjustment amount, within the established limits, is expected to be resolved in the first quarter of fiscal year 2021, once the term for the confirmation of the closing accounts has elapsed, and is referred to the transaction as a whole. At the time the final price adjustment is determined, the allocation of the resulting total price to the different parts of the transaction will also be completed (Note 4). The preliminary breakdown of the consideration paid is EUR 122 million for the Senvion European Onshore Services and EUR 60 million for the wind turbine blade production business in Vagos of Senvion. These amounts have been fully paid as of September 30, 2020.

C. DIVESTMENT OF IBERDROLA PARTICIPACIONES S.A. UNIPERSONAL

On February 4, 2020, Iberdrola Participaciones, S.A. Unipersonal (hereinafter, "Iberdrola Participaciones") – a company fully owned by Iberdrola S.A. (hereinafter, "Iberdrola") – and Iberdrola have entered into an agreement (hereinafter, the "Agreement") with Siemens Aktiengesellschaft (hereinafter, "SIEMENS") (SIEMENS and, together with Iberdrola Participaciones and Iberdrola, hereinafter, the "Parties") for the sale of the entire stake held by Iberdrola Participaciones in SIEMENS GAMESA, representing 8.071% of its share capital.

The price for the transaction has been EUR 1,099,546 thousand, which equals to EUR 20 per share in SIEMENS GAMESA and whose sale and purchase has been effective as of February 5, 2020. This price has not been subject to any adjustment.

Taking into consideration that as consequence of the Agreement Iberdrola Participaciones has ceased to be a shareholder of SIEMENS GAMESA, the Parties have terminated the shareholder agreement (*pacto parasocial*) entered into by them on June 17, 2016 without any compensations or claims between them or their respective associated entities. Accordingly, the proprietary director of Iberdrola has resigned from his position as director of the Board of Directors of SIEMENS GAMESA.

In addition, Iberdrola, Iberdrola Participaciones and SIEMENS have agreed to fully waive any claim or action against each other or any entity of their respective groups, and Iberdrola as well as Iberdrola Participaciones have undertaken to withdraw, render without effect and desist from all existing claims and proceedings initiated against SIEMENS GAMESA. The Parties, have reciprocally undertaken that for a period of 24 months: neither Iberdrola nor any entity of its group will acquire financial instruments (including shares) in SIEMENS, SIEMENS GAMESA or any entity of their respective groups; and neither SIEMENS nor any entity of its group will acquire financial instruments (including shares) in Iberdrola or any entity of its group.

Finally, Iberdrola, SIEMENS and SIEMENS GAMESA have entered into a separate collaboration agreement for an initial period of 6-months to strengthen and expand their current commercial business relationships regarding certain areas on renewable energy and networks businesses, with a special focus on onshore and offshore wind generation, digital grid and load management.

D. SIEMENS ENERGY AG

SIEMENS AG (hereinafter, "SIEMENS"), on May 7, 2019 announced a Significant Event where, amongst others, it disclosed certain plans with respect to its stake in SIEMENS GAMESA:

- SIEMENS has decided to legally separate the worldwide operations of Gas and Power of SIEMENS Group;
- and to transfer the shares held by SIEMENS Group of approximately 67% in SIEMENS GAMESA to SIEMENS ENERGY AG (hereinafter, "SIEMENS ENERGY") the shares of which, are listed since September 28, 2020 on the Frankfurt Stock Exchange (hereinafter, "Spin-off process and transfer agreement").

Spin-off process and transfer agreement

SIEMENS ENERGY is to be managed as an entity that is legally and organizationally independent of SIEMENS. In that context, SIEMENS intends to retain a (direct and indirect) minority interest in the listed SIEMENS ENERGY as its non-controlling anchor shareholder initially with a total share in its capital stock of 45%, of which, 9.9% of the capital stock has been transferred to Siemens Pension-Trust e.V. With the strategic and operational development of SIEMENS ENERGY, SIEMENS intends to reduce its stake in the amount of 35.1% significantly in a timeframe of 12-18 months after the Spin-off taking effect. The remaining shares in SIEMENS ENERGY have been transferred to the shareholders of SIEMENS by way of a Spin-off in accordance with the German Transformation act (*Umwandlungsgesetz*). After the Spin-off effective date (September 25, 2020), the shares in SIEMENS ENERGY have been admitted to trading on the Frankfurt Stock Exchange.

E. ENVIRONMENTAL INFORMATION

In view of the business activities carried out by SIEMENS GAMESA Group, it does not have any environmental responsibilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Therefore, SIEMENS GAMESA Group does not include any specific disclosures relating to environmental matters in the accompanying Consolidated Financial Statements.

2. Basis of presentation of the Consolidated Financial Statements and basis of consolidation

A. BASIS OF PRESENTATION

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter, "IFRS").

It should be noted that in these Consolidated Financial Statements any information or disclosure which has not been considered material due to the lack of relative importance, qualitative and quantitative, in accordance with the concept of Relative Importance, defined in the Conceptual Framework of IFRS, has been omitted.

B. BASIS OF CONSOLIDATION

Subsidiaries

The Consolidated Financial Statements include the Financial Statements of SIEMENS GAMESA and its subsidiaries. Subsidiaries are all entities, which are controlled by SIEMENS GAMESA. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement in the entity and has the capacity to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are out of the scope from the date that there is loss of control.

Associated companies

Associates are companies over which SIEMENS GAMESA has the capacity to exercise significant influence regarding operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights). Associated companies are recorded in the Consolidated Financial Statements using the equity method and are initially recognized at cost. SIEMENS GAMESA's share of its associate's post-acquisition profits or losses is recognized in the Consolidated Statement of Profit and Loss, and its share of post-acquisition changes in equity that have not been recognized in the associate's profit or loss is recognized directly in equity. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment in the associate.

Significant influence is deemed not to exist in specific cases where, although SIEMENS GAMESA holds more than 20% of the voting rights, the absence of significant influence can be clearly demonstrated. Significant influence is deemed to exist when SIEMENS GAMESA Group has the power to influence on the financial and operating policies of an investee.

Joint ventures

Joint ventures are entities over which SIEMENS GAMESA and one or more parties have joint control. Joint control requires unanimous consent of the parties sharing control in decision making on relevant activities. The Group records its stakes in joint ventures using the equity method (Note 16).

In the Appendix of these Consolidated Financial Statements a list of SIEMENS GAMESA's subsidiaries, joint ventures and associates, together with the consolidation or measurement method used in preparing the accompanying Consolidated Financial Statements and other relevant information is disclosed.

Business combinations

The cost of an acquisition is measured at the fair value of the assets acquired and liabilities incurred or assumed at the date of the business combination. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are initially measured at their fair values at the acquisition date, regardless 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 interest is remeasured at fair value.

In case of a written put option on non-controlling interests the Company assesses whether the prerequisites for the transfer of present ownership interest are fulfilled at the Consolidated Balance Sheet date. If the Company is not the beneficial owner of the shares underlying the put option, the exercise of the put option will be assumed at each balance sheet date and treated as an equity transaction among shareholders with the recognition of a purchase liability at the respective exercise price.

The non-controlling interests participate in profits and losses during the period.

Foreign currency translation

Assets and liabilities of foreign subsidiaries, where the functional currency is other than the euro, are translated using the spot exchange rate at the end of the period, while the Consolidated Statement of Profit and Loss is translated using the average exchange rate for the period. Differences arising from such translations are recognized within equity and reclassified to net income when the gain or loss on disposal of the foreign subsidiary is recognized.

C. CHANGES IN THE SCOPE OF CONSOLIDATION

During the periods ended September 30, 2020 and 2019, the following changes in the consolidation scope have taken place:

The following entities have been constituted or acquired:

Fiscal year 2020

Constituted / acquired company	Holding company of the investment	% of shareholding
Energiaki Mavrovoliniou Idiotiki Kefaleolichiki Eteria (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A. Unipersonal (*)	99,9%
Energiaki Mavrovoliniou Idiotiki Kefaleolichiki Eteria (Greece)	Siemens Gamesa Renewable Energy Invest, S.A.U.	0,1%
Siemens Gamesa Renewable Energy Djibouti SARL (Djibouti)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Energiaki Velanidas Single Member Anonymos Etairia (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Energiaki Mesovouniou Single Member Anonymos Etairia (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V. (Mexico)	Siemens Gamesa Renewable Energy Europa, S.L.U.	99%
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V. (Mexico)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	1%
Senvion Deutschland GmbH (Germany) (**)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Senvion UK Limited (United Kingdom) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion France S.A.S (France) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Italia S.r.L. (Italy) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Austria GmbH (Austria) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Polska Sp.z.o.o (Poland) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Scandinavia AB (Sweden) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion Portugal Unipessoal, Lda. (Portugal) (**)	Siemens Gamesa Renewable Energy Service GmbH	100%
Senvion d.o.o. Beograd (Serbia) (**)	Senvion Austria GmbH	100%
Siemens Gamesa Renewable Energy Digital Services, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Ria Blades S.A. (Portugal) (**)	SGRE Portugal	100%
SPV Parco Eolico Aria del Vento, S.r.L. (Italy)	Siemens Gamesa Renewable Energy Italy, S.P.A.	100%
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG (Germany)	Siemens Gamesa Renewable Energy, S.A.	100%
Sistemas Energéticos Eolo, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Céfiro, S.L (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Siroco, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Boreas, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Argestes, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Terral, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Ábrego, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Gregal, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

(*) Hereinafter, "S.A.U".

(**) Notes 1.B and 4.

Fiscal year 2019

Constituted / acquired company	Holding company of the investment	% of shareholding
Siemens Gamesa Renewable Energy Offshore Wind Limited (Taiwan)	Siemens Gamesa Renewable Energy Apac, S.L.U.	100%
Siemens Gamesa Renewable Energy S.A.S. (Colombia)	Siemens Gamesa Renewable Energy Latam, S.L.U.	100%
Carmody's Hill Investment Company Pty Ltd. (Australia)	Siemens Gamesa Renewable Energy Pty Ltd.	100%

The following entities have been dissolved:

Fiscal year 2020

Dissolved company	Holding company of the stake	% of shareholding
Glenouther Renewables Energy Park Limited (United Kingdom)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Adwen UK Limited (United Kingdom)	Adwen Offshore, S.L.U.	100%
Siemens Gamesa Renewable Energy Belgium BVBA (Bélgica)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Bargrennan Renewable Energy Park Limited (United Kingdom)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Nuevas Estrategias de Mantenimiento, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	50%
Siemens Gamesa Renewable Energy Canada ULC (Canada)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	100%
Adwen France SAS (France)	Adwen Offshore, S.L.U.	100%
Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	99%
Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey)	Siemens Gamesa Renewable Energy Innovation & Technology, S.L.U.	1%
EBV Holding Verwaltung GmbH (Germany) (*)	Siemens Gamesa Renewable Energy GmbH & Co KG	100%
Windfarm Groß Haßlow GmbH (Germany) (*)	Siemens Gamesa Renewable Energy GmbH & Co KG	100%
Windfarm Ringstedt II GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 35 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 40 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 33 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Windfarm 41 GmbH (Germany) (*)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Siemens Wind Power Energía Eólica Ltda. (Brazil) (*)	Siemens Gamesa Renewable Energy A/S	10%
Siemens Wind Power Energía Eólica Ltda. (Brazil) (*)	Siemens Gamesa Renewable Energy Eólica, S.L.U.	90%

(*) Dissolution without liquidation due to the merger with other Group companies.

Fiscal year 2019

Dissolved company	Holding company of the stake	% of shareholding
Elliniki Eoliki Attikis Energiaki S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Elliniki Eoliki Likourdi S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Elliniki Eoliki Kopriseza S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%

Dissolved company	Holding company of the stake	% of shareholding
Generación Eólica Extremeña, S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	30%
Eoliki Peloponnissou Lakka Energiaki S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Siemens Gamesa Renewable Finance, S.A.U. (Spain)	Siemens Gamesa Renewable Energy, S.A.	100%
Elliniki Eoliki Kseropousi S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Elliniki Eoliki Energiaki Pirgos S.A. (Greece)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	86%
Siemens Gamesa Renewable Energy Wind, LLC (United States)	Siemens Gamesa Renewable Energy, Inc.	100%
9REN Israel Ltd. (Israel)	Siemens Gamesa Renewable Energy 9REN S.L.U.	100%
Sistema Eléctrico de Conexión Montes Orientales S.L. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	83.3%
Tai'an Sanglin Wind Power Co. Ltd. (China)	International Wind Farm Development V, Ltd.	100%

The following entities have been sold:

Fiscal year 2020

Sold company	Holding company of the stake	% of shareholding
Sistemas Energéticos Loma del Viento, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Sistemas Energéticos Serra de Lourenza, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Jaralón, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	86%
Ujazd Sp. z o.o. (Poland)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos El Valle, S.L.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Société d'Exploitation du Parc Eolien de Source de Séves SARL (France)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Sistemas Energéticos Cabanelas, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

Fiscal year 2019

Sold company	Holding company of the stake	% of shareholding
Sistemas Energéticos Barandon, S.A. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Convertidor Solar Ciento Veintidos, S.L. (Spain)	Convertidor Solar Trescientos Diecisiete, S.L.U.	3.33%
Convertidor Solar Ciento Veinticinco, S.L. (Spain)	Aljaraque Solar, S.L.	6.69%
Convertidor Solar Trescientos Diecisiete, S.L.U. (Spain)	Siemens Gamesa Renewable Energy 9REN, S.L.U.	100%
Convertidor Solar Ciento Veintisiete, S.L.U. (Spain)	Siemens Gamesa Renewable Energy 9REN, S.L.U.	100%
Aljaraque Solar, S.L. (Spain)	Siemens Gamesa Renewable Energy 9REN, S.L.U.	100%
Sistemas Energéticos Sierra del Carazo, S.L.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Alcohujate, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%
Sistemas Energéticos Fuerteventura, S.A.U. (Spain)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Lichnowy Windfarm Sp. z o.o. (Poland)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

Sold company	Holding company of the stake	% of shareholding
Windfarm Ganderkesee-Lemwerder GmbH (Germany)	Siemens Gamesa Renewable Energy Invest, S.A.U.	100%
Gamesa Energie Deutschland GmbH (Germany)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	100%

The exclusions from the scope of consolidation are mainly related to companies' dissolutions or to wind farms that have been disposed of during the year ended September 30, 2020 and 2019. The sale, as indicated in Note 3.U, is recognized under the heading "Revenue" in the Consolidated Statement of Profit and Loss for the year.

The name of the following entities has been modified:

Fiscal year 2020

Previous denomination	New denomination
Siemens Gamesa Renewable Energy BVBA (Belgium)	Siemens Gamesa Renewable Energy NV (Belgium)
Société d'Exploitation du Parc Eolien de Plancy l'Abbaye SARL (France)	Société d'Exploitation du Parc Eolien de Champeaux SARL (France)
Société d'Exploitation du Parc Eolien de Cernon SARL (France)	Société d'Exploitation du Parc Eolien de Champlong SARL (France)
Société d'Exploitation du Parc Eolien de Sommesous SARL (France)	Société d'Exploitation du Parc Eolien de la Belle Dame SARL (France)
Société d'Exploitation du Parc Eolien de Savoisy SARL (France)	Société d'Exploitation du Parc Eolien de la Gartempe SARL (France)
Société d'Exploitation du Parc Eolien de Landresse SARL (France)	Société d'Exploitation du Parc Eolien de la Monchot SARL (France)
Société d'Exploitation du Parc Eolien de la Loye SARL (France)	Société d'Exploitation du Parc Eolien de la Pièce du Moulin SARL (France)
Société d'Exploitation du Parc Eolien de Mantoche SARL (France)	Société d'Exploitation du Parc Eolien de Maindoie SARL (France)
Société d'Exploitation du Parc Eolien de Songy SARL (France)	Société d'Exploitation du Parc Eolien de Messeix SARL (France)
Société d'Exploitation du Parc Eolien de Longueville-sur-Aube SARL (France)	Société d'Exploitation du Parc Eolien de Villiers-aux-Chênes SARL (France)
Société d'Exploitation du Parc Eolien de Saint Bon SARL (France)	Société d'Exploitation du Parc Eolien des Fontaines SARL (France)
Société d'Exploitation du Parc Eolien de Sambourg SARL (France)	Société d'Exploitation du Parc Eolien des Six Communes SARL (France)
Société d'Exploitation du Parc Eolien de Coupetz SARL (France)	Société d'Exploitation du Parc Eolien des Voies de Bar SARL (France)
Société d'Exploitation du Parc Eolien de Romigny SARL (France)	Société d'Exploitation du Parc Eolien d'Omécourt SARL (France)
Société d'Exploitation du Parc Eolien de Clamanges SARL (France)	Société d'Exploitation du Parc Eolien du Mont Égaré SARL (France)
Société d'Exploitation du Parc Eolien de Soude SARL (France)	Société d'Exploitation du Parc Photovoltaïque de Messeix SARL (France)
Siemens Gamesa Turkey Yenilenebilir Enerji Limited Sirketi (Turkey)	Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey)
Adwen GmbH (Germany)	Siemens Gamesa Renewable Energy Deutschland GmbH (Germany)
Gamesa Eólica Nicaragua S.A. (Nicaragua)	Siemens Gamesa Renewable Energy, Sociedad Anónima (Nicaragua)
Senvion UK Limited (United Kingdom)	Siemens Gamesa Renewable Energy Service Limited (United Kingdom)
Senvion Deutschland GmbH (Germany)	Siemens Gamesa Renewable Energy Service GmbH (Germany)
Senvion France S.A.S. (France)	Siemens Gamesa Renewable Energy Service S.A.S. (France)
Senvion Italia S.r.L. (Italy)	Siemens Gamesa Renewable Energy Service S.r.L. (Italy)
Senvion Polska Sp.z.o.o (Poland)	Siemens Gamesa Renewable Energy Service Sp.z.o.o (Poland)

Previous denomination	New denomination
Senvion Portugal Unipessoal, Lda. (Portugal)	Siemens Gamesa Renewable Energy II Service Unipessoal, Lda. (Portugal)
Senvion d.o.o. Beograd (Serbia)	Siemens Gamesa Renewable Energy d.o.o. Beograd - Stari Grad (Serbia)

Fiscal year 2019

Previous denomination	New denomination
Siemens Wind Power GmbH (Austria)	Siemens Gamesa Renewable Energy GmbH (Austria)
Gamesa Eólica Costa Rica, S.r.L. (Costa Rica)	Siemens Gamesa Renewable Energy, S.r.L. (Costa Rica)
Gamesa (Beijing) Wind Energy System Development Co, Ltd (China)	Siemens Gamesa Renewable Energy (Beijing) Co, Ltd. (China)
Kintech Santalpur Windpark Private Limited (India)	Santalpur Renewable Power Private Limited (India)
GM Navarra Wind Energy Private Limited (India)	Siemens Gamesa Renewable Energy Projects Private Limited (India)
Siemens Wind Power (Pty) Ltd. (South Africa)	Siemens Gamesa Renewable Energy (Pty) Ltd. (South Africa)
GESA Eólica Honduras, S.A. (Honduras)	Siemens Gamesa Renewable Energy, S.A. (Honduras)
Gamesa Wind (Tianjin) Co. Ltd. (China)	Siemens Gamesa Renewable Energy Technology (China) Co. Ltd. (China)
Siemens Wind Power Ruzgar Enerjisi Anonim Sirketi (Turkey)	Siemens Gamesa Renewable Enerji Anonim Sirketi (Turkey)

D. ADOPTION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

D.1) New standards, amendments and interpretations applied in the year ended September 30, 2020:

First-time application of IFRS 16, "Leases"

SIEMENS GAMESA Group has completed the analysis in order to assess whether an agreement includes a lease on the date of its first-time application in accordance with the definition and conditions set in IFRS 16.

The implementation of this standard in SIEMENS GAMESA Group is based on the modified retrospective approach, which means that comparative period figures are not restated, and therefore, that the first-time adoption of IFRS 16 is accounted for as of October 1, 2019 (first-time application date).

SIEMENS GAMESA Group, using practical expedients, has chosen to apply the exemption in recognizing current leases:

- lease terms are equal or under 12 months, which will continue being accounted for as presently and associated payments will be recognized as a lease expense; and
- leases for which the underlying asset is of low value.

Presentation

In the Consolidated Financial Statements for the year ended September 30, 2020, SIEMENS GAMESA Group has classified right-of-use assets and lease liabilities under the line items "Property, plant and equipment", current "Financial debt" and non-current "Financial debt" of the Consolidated Balance Sheet.

Impact on SIEMENS GAMESA Group

The following table discloses the effect of the application of IFRS 16 on the affected Consolidated Balance Sheet headings:

Thousands of euros	Financial Statements as of 09.30.2019	Transition to IFRS 16	Financial Statements as of 10.01.2019
Within assets		583,308	
Other current assets	461,265	(10,440)	450,825
Within current assets	461,265	(10,440)	450,825
Property, plant and equipment	1,425,901	679,203	2,105,104
Other assets	89,379	(85,455)	3,924
Within non-current assets	1,515,280	593,748	2,109,028
Within liabilities		583,308	
Financial debt	352,209	66,150	418,359
Within current liabilities	352,209	66,150	418,359
Financial debt	512,226	517,158	1,029,384
Within non-current liabilities	512,226	517,158	1,029,384

The corresponding right of use asset recognized as of October 1, 2019 with the first-time application of IFRS 16 amounts to EUR 679,203 thousand (Note 15). The amount of prepaid lease instalments as of September 30, 2019, which corresponds to lease contracts for buildings and real estate, amount to EUR 95,895 thousand, booked mainly under other non-current assets of the accompanying Consolidated Balance Sheet as of September 30, 2019, whereby the final lease liability recognized as of October 1, 2019 amounts to EUR 583,308 thousand (Note 18.B).

The breakdown by type of assets that has led to the recognition of current and non-current liabilities is as follows:

Thousands of euros	10.01.2019
Buildings and real estate	427,882
Technical facilities and machinery	144,572
Other property, plant and equipment (*)	10,854
Total	583,308

(*) Includes: Leased other equipment, plant and office equipment and equipment leased to customers (Note 15).

In order to determine the present value of lease payments, which is needed when classifying a lease (for the lessor) and to measure the lessee's lease liability, three parameters are required: lease term, lease payments, and the appropriate discount rate.

IFRS 16 requires the lessee to discount the lease payments using the interest implicit in the lease or the incremental borrowing rate if the interest implicit in the lease cannot be determined.

The details of the discount rates (minimum and maximum ranges) used for the main currencies at the time of the first application are as follows:

Currency	Less than 5 years		Between 6 and 10 years		Between 10 and 50 years		Weighted average
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	
Euro	0.001%	0.001%	0.001%	0.336%	0.001%	0.337%	0.124%
Sterling pound	0.790%	1.203%	1.216%	1.462%	1.561%	1.561%	1.548%
United States dollar	2.173%	2.498%	2.173%	2.412%	-	-	2.275%
Indian rupee	6.124%	6.753%	6.610%	6.704%	6.537%	6.537%	6.567%

While IFRS 16 does not specify requirements on reassessment of discount rates by a lessor, a lessee is required to reassess the discount rate upon any of the following:

- Change in lease term or in the assessment of the purchase option.
- A lease modification that is not accounted for as a separate lease.
- Change in lease payment resulting from a change in floating interest rates.

Details of the reconciliation between the future minimum payment for non-cancellable operating leases under the scope of the IAS 17 at September 30, 2019 (Note 18.B) and lease liabilities recognized at October 1, 2019 in the transition to IFRS 16 are as follows:

Thousands of euros	
Future minimum payments for non-cancellable operating leases in accordance with IAS 17 (Note 18.B)	786,975
Prepaid lease instalments	(95,895)
Difference due to financial discount and re-stated contracts not qualifying as lease in accordance with IFRS 16	(107,772)
Lease liabilities as October 1, 2019 under IFRS 16	583,308

As a result of the adoption of IFRS 16, SIEMENS GAMESA Group has updated its accounting policies (Note 3.V) and internal processes and controls related to leases.

Remaining standards, amendments and interpretations

Standards, amendments and interpretations	IASB effective Date (*)
Annual improvements to IFRS Standards, 2015-2017 Cycle	January 1, 2019
IFRIC 23 Uncertainty over income tax treatments	January 1, 2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation	January 1, 2019
Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	January 1, 2019
Amendments to IAS 28 Long-Term Interests in Associates and Joint Ventures	January 1, 2019

(*) Applicable for fiscal years beginning on or after the indicated date.

The remaining standards, amendments and interpretations have not had a significant impact on these Consolidated Financial Statements.

D.2) Standards, amendments and interpretations applied in the year ended September 30, 2019:

The standards, amendments and interpretations applied in the year ended September 30, 2019 are those disclosed in the Note 2.D.1. of the Consolidated Financial Statements for the year ended September 30, 2019.

D.3) New standards, amendments and interpretations not applied in the year ended September 30, 2020 that will be applicable in future periods:

Remaining standards, amendments and interpretations

Standards, amendments and interpretations	IASB effective Date (*)
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
Amendments to IFRS 3 Definition of a business	January 1, 2020
Amendments to IAS 1 and IAS 8 Definition of Material or of Relative Importance	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 Amendment of the Interest Rate Reference Index	January 1, 2020
Amendments to IFRS 16 Covid-19 related rent concessions (**)	June 1, 2020
IFRS 17 Insurance Contracts	January 1, 2023
NIC 1 Presentation of Financial Statements: classification of liabilities as current and non-current	January 1, 2023

(*) Applicable for fiscal years beginning on or after the indicated date.

(**) The Standard has been issued by the IASB at the end of May 2020 with the entry into force in June 1, 2020, although early implementation is allowed.

SIEMENS GAMESA Group is currently analysing the expected impact resulting from the remaining standards, amendments and interpretations mentioned above, which have been published by the IASB, but are not effective yet.

E. COMPARATIVE INFORMATION OF PRIOR PERIOD

As required by IAS 1, the Consolidated Financial Statements are shown together with comparative information in respect of the prior period for all amounts reported in the current period's Consolidated Financial Statements.

When comparing the information, the acquisitions described in Notes 1.B and 4 as well as the effects of the first application of IFRS 16 detailed in Note 2.D.1 must be taken into account.

F. FUNCTIONAL AND PRESENTATION CURRENCY

These Consolidated Financial Statements are presented in euros, which is SIEMENS GAMESA's functional currency. All amounts have been rounded to the nearest EUR thousand, unless stated otherwise.

Transactions denominated in currencies other than the euro are recognized in accordance with the policies described in Note 3.C.

G. GOING CONCERN

In the fiscal year 2020, SIEMENS GAMESA Group has negative results in the amount of EUR 918,178 thousand (a positive amount of EUR 140,002 thousand in the fiscal year 2019). These results reflect the year shaped by the Covid-19 pandemic (Note 5.A) and the deceleration in the Indian market (Note 29.C), both of which had material unforeseen effects on the Group's financial performance. That performance was also hampered by cost overruns caused by the execution challenges in onshore projects in Norway and Sweden, which at the date of this report have been delivered almost in their entirety to their respective customers.

The Company states that the Group's liquidity needs are guaranteed at all moments through credit lines: as of September 30, 2020, SIEMENS GAMESA Group has unused credit facilities amounting to EUR 3,140 million, which represents 75% of total credit facilities limit (EUR 2,791 million as of September 30, 2019, 77% of total credit

facilities limit). The Directors have prepared the Consolidated Financial Statements according to the going concern principle as it is their understanding that the future outlook of the Group's business will enable positive results and positive cash flows in the coming years.

3. Accounting principles and policies and key judgments and estimates

The preparation of the Consolidated Financial Statements requires Management to make judgments and use estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from Management's estimates. Although the estimates are done based on the best information available of the analysed facts as of September 30, 2020 and 2019, future events might make it necessary to modify them (upwards or downwards) in later years. Estimates and assumptions are reviewed on an ongoing basis and changes in estimates and assumptions are recognized in the period in which the changes occur and in future periods impacted by such changes, in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the Consolidated Statement of Profit and Loss for the related year.

A. CONSOLIDATED STATEMENT OF CASH FLOWS

SIEMENS GAMESA Group presents the Consolidated Statement of Cash Flows using the indirect method, whereby net profit or loss is adjusted by the non-monetary transactions, by all deferred payments and accumulations (or accruals) that are caused by past or future collections and payments, as well as profit and loss items associated to cash flows of operations classified as investing or financing activities.

The following terms are used in the Consolidated Statement of Cash Flows with the meanings as specified below:

- Cash flows: Inflows and outflows of cash and cash equivalents.
- Cash equivalents: Short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to a not significant risk of changes in value.
- Operating activities: The Group's main revenue-producing activities as well as other activities that are not related to investing or financing activities.
- Investing activities: The acquisition, sale or disposal through other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that result in changes in the size and composition of the contributed equity and of borrowings of the Group. From October 1, 2019 changes in lease liabilities are included in financing activities, for both, lease payments and lease additions (Notes 2.D and 18.B).

B. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Based on their nature and the business model they are held in, financial instruments are classified as financial assets and financial liabilities measured at amortized cost and financial assets and financial liabilities measured at fair value. Regular way purchases or sales of financial assets are accounted for at the trade date. Initially, financial instruments are recognized at their fair value. Transaction costs are only included in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss. After its recognition, financial assets and liabilities are measured according to the category to which they are assigned:

- cash and cash equivalents;
- financial assets measured at fair value through Other comprehensive income;
- financial assets measured at fair value through Profit and Loss;
- financial assets measured at amortized cost;
- loans and receivables;
- financial liabilities measured at amortized cost; and
- financial liabilities measured at fair value through Profit and Loss.

Cash and cash equivalents

SIEMENS GAMESA Group considers all highly liquid investments with less than three months maturity from the date of acquisition to be “Cash and cash equivalents”. “Cash and cash equivalents” are measured at cost (Note 7).

Financial assets measured at fair value through Other Comprehensive Income

Equity instruments for which SIEMENS GAMESA irrevocably elects to present subsequent fair value changes in Other Comprehensive Income at initial recognition of the instrument. Unrealized gains and losses, net of deferred income tax expenses, as well as gains and losses on the subsequent sale of the instruments are recognized in line item “Other comprehensive income, net of taxes” (Note 9).

Financial assets measured at fair value through Profit and Loss

Debt instruments are measured at fair value through Profit and Loss if the business model they are held in is not “hold-to-collect”, or if their contractual cash flows do not represent solely payments of principal and interest. Equity instruments are measured at fair value through Profit and Loss unless the fair value through “Other Comprehensive Income, net of taxes” option is elected (Note 9).

Financial assets measured at amortized cost

Credits, 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 amortized cost using the effective interest method less allowances for expected credit losses. Such allowance involves significant Management judgements and the review of receivables based on customer’s creditworthiness, current economic trends and the analysis of historical bad debts on the portfolio (Note 9).

Financial Liabilities

SIEMENS GAMESA Group measures financial liabilities, except for derivative financial instruments, at amortized cost using the effective interest method.

- “Financial debt”:

Loans, bonds and similar interest-bearing items are initially recognized at the amount received, net of direct issuance costs, under the “Financial debt” headings of the Consolidated Balance Sheet. Borrowing costs are recognized on an accrual basis in the Consolidated Statement of Profit and Loss at their amortized cost using the effective interest rate method and they are aggregated to the carrying amount of the financial instrument to the extent that they are not settled in the year in which they arise (Note 18).

Moreover, obligations under finance leases, according to IFRS 16, are recognized at the present value of the lease payments under this Consolidated Balance Sheet heading (Note 18).

- “Trade Payables”:

Trade payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method.

Derivative financial instruments and hedge accounting

Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts are measured at fair value and classified through Profit and Loss unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized either in net income or, in the case of a cash flow hedge, under line item “Other comprehensive income, net of taxes”. Certain embedded derivative instruments in host contracts are also accounted separately as derivatives.

- Fair value hedges:

The carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk. Where an unrecognized firm commitment is designated as hedged item, the subsequent cumulative change in its fair value is recognized as a separate financial asset or liability with the corresponding gain or loss recognized in net income. For hedged items carried at amortized cost, the adjustment is amortized until maturity of the hedged item. For hedged firm commitments the hedged carrying amount of the assets or liabilities that results from the firm commitments are adjusted to include the cumulative changes in the fair value that were previously recognized as separate financial assets or liabilities. No fair value hedges have been designated during the years 2020 and 2019 (Note 10).

- Cash flow hedges:

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges are recognized under the heading “Other comprehensive income, net of taxes”, and any ineffective portion is recognized immediately in net income. Amounts accumulated in equity are reclassified into the Consolidated Statement of Profit and Loss in the same periods in which the hedged item affects net income.

Category of financial assets at fair value

The different categories of financial instruments are grouped in categories from 1 to 3, depending on the fair value measurement system (Notes 10 and 17):

- Category 1: the fair value is obtained from the directly observable quoted prices in active markets for identical assets and liabilities.
- Category 2: the fair value is determined using observable market inputs other than the quoted prices included in category 1, that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices).

- Category 3: the fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable in the market.

Derivative financial instruments consist of forward exchange rate contracts, interest rate swaps and raw material swaps (electricity):

- Forward exchange rate contracts:

The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high quality credit yield curves in the respective currencies.

- Interest rate swaps:

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

- Commodity swaps (electricity):

Commodity swaps are measured at fair value using the prices and interests from observable yield curves.

The fair value of raw material swap contracts is calculated by discounting the estimated cash flows using the future prices at the closing date.

The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

The effects of discounting have not been significant for category 2 financial instruments.

Impairment of financial assets

Except for the financial assets classified at fair value, the financial assets are analysed by SIEMENS GAMESA Group in order to identify periodically, and at least at the end of each reporting period, any impairment indicator.

SIEMENS GAMESA Group considers that a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is an objective evidence of impairment.

For the rest of financial assets, valuation allowances are set up for expected credit losses, representing a forward-looking estimate of future credit losses involving significant management judgment. Expected credit loss is the gross carrying amount less collateral, multiplied by the probability of default and a factor reflecting the loss in the event of default. Valuation allowances are not recognized when the gross carrying amount is sufficiently collateralized. Probabilities of default are mainly derived from rating grades of the counterparts. A simplified approach is used to assess expected credit losses from trade receivables and contract assets by applying their lifetime expected credit losses. The valuation allowance for loans and other long-term debt instruments is measured according to a three-stage impairment approach:

- Stage 1: At inception, 12-month expected credit losses are recognized based on a twelve months probability of default.

- **Stage 2:** If the credit risk of a financial asset increases significantly without being credit-impaired, lifetime expected credit losses are recognized based on a lifetime probability of default. A significant increase in credit risk is determined for each individual financial instrument using the credit ratings of the counterparts. A rating deterioration does not trigger a transfer into Stage 2 if the credit rating remains within the investment grade range. More than 30 days past due payments will not be transferred into Stage 2 if the delay is not credit-risk-related. A contractual modification is an indicator for an increase in credit risk.
- **Stage 3:** If the asset is credit-impaired, valuation allowances equal lifetime expected credit losses. A financial asset is considered credit-impaired when there is observable information about significant financial difficulties or a high probability of default. Impairment triggers include liquidity problems, a request for debt restructuring or a breach of contract.

Financial assets are impaired as uncollectible if recovery appears unlikely. That is, generally, if the limitation period expired, when a debtor's sworn statement of affairs is received, or when the receivable is not pursued due to its minor value. Receivables impaired are written off when bankruptcy proceedings close.

Derecognition of financial instruments

SIEMENS GAMESA Group only derecognizes financial assets when the contractual rights on the cash flows from the assets expire, or when the financial asset and substantially all the risks and rewards inherent to its ownership are transferred to another entity.

In cases where risks and rewards associated with accounts receivable are contractually transferred to a factor and the factor also assumes the related insolvency risk, the Group derecognizes these financial assets.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or of a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of its original financial liability and the recognition of a new financial liability.

C. TRANSACTIONS IN FOREIGN CURRENCY

Group companies

The functional currency of the parent company is the euro.

For SIEMENS GAMESA Group companies with a functional currency other than the euro, the functional currency usually is the same as the local currency. Therefore, for the majority of the Group companies, the functional currency does not differ from the local currency in which the individual company pays the corresponding income tax. Consequently, changes in exchange rates do not give rise to any temporary differences which might lead to the recognition of a deferred tax asset or liability for a significant amount.

Transactions and balances

Transactions that are denominated in a currency other than the functional currency of an entity, are recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognized. At the end of each reporting period, foreign currency-denominated monetary assets and liabilities are re-valued to the functional currency applying the spot exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the historical exchange rate at the date of the transaction.

Moreover, as already indicated for monetary assets and liabilities denominated in foreign currency, fixed-income securities, receivables and payables are translated to the functional currency at the exchange rates prevailing at the Consolidated Balance Sheet date.

Exchange differences arising on a monetary item that is part of the net investment in a company's foreign operation is recognized in the Statement of Profit and Loss in the separate Financial Statements for the reporting company, or in the Individual Financial Statements for the foreign operation, as appropriate. In the Consolidated Financial Statements that include the foreign operation and the reporting company, those exchange differences are initially recognized in "Other comprehensive income, net of taxes" and are reclassified from equity to profit or loss when the foreign business is disposed of or the investment is recovered fully or partially by other means.

The hedging instruments that SIEMENS GAMESA Group uses to reduce foreign currency risks are described in Note 10.

The equivalent euro value of the monetary assets and liabilities denominated in currencies other than euro held by SIEMENS GAMESA Group as of September 30, 2020 and 2019 is as follows:

Currency	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
	Assets	Liabilities	Assets	Liabilities
Indian rupee	112,651	407,349	219,001	599,006
United States dollar	477,762	460,837	487,817	391,575
Chinese yuan	344,662	392,949	228,372	135,381
Mexican peso	10,135	44,027	14,179	35,723
Danish krone	67,788	239,436	107,706	217,369
Canadian dollar	46,583	3,001	34,958	2,696
Sterling pound	61,618	37,062	71,078	68,689
Moroccan dirham	42,889	14,866	23,219	11,910
Swedish krona	57,326	15,380	3,423	824
Australian dollar	15,630	5,613	10,593	351
Turkish lira	611	26,865	3,857	20,001
Brazilian real	85,133	79,066	74,766	53,751
Norwegian krone	77,675	15,786	4,918	18,710
South African rand	16,084	1,527	13,124	10,848
Egyptian pound	15,463	6,985	15,303	6,240
Taiwan dollar	46,907	21,508	41,760	12,194
Other currencies	145,638	51,033	96,653	38,487
Total	1,624,555	1,823,290	1,450,727	1,623,755

The equivalent euro value of the main balances denominated in currencies other than euro, based on the nature of the items concerned, is as follows:

Nature of the balances	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
	Assets	Liabilities	Assets	Liabilities
Cash and cash equivalents (Note 7)	964,399	-	840,223	-
Trade receivables (Note 8)	660,156	-	610,504	-
Debt with financial institutions and other obligations (Note 18)	-	313,179	-	321,450
Trade payables	-	1,510,111	-	1,302,305
Total	1,624,555	1,823,290	1,450,727	1,623,755

D. CONTRACT ASSETS, CONTRACT LIABILITIES, TRADE AND OTHER RECEIVABLES

When either party to a contract with customers has performed, SIEMENS GAMESA Group presents "Contract assets", "Contract liabilities" or "Trade and other receivables" depending on the relationship between SIEMENS GAMESA Group's performance and the customer's payment. Contract assets and liabilities for each contract are presented net as current since incurred in the operating cycle. Receivables are recognized when the right to consideration becomes unconditional. Valuation allowances for credit risks are set up for "Contract assets" and trade receivables according to the accounting policy for loans and receivables.

E. INVENTORIES

"Inventories" are valued at the lower of their acquisition or production costs and their net realizable value, and costs are generally determined on an average basis or a first-in, first-out method. In determining the net realizable value of inventories, write-downs based on their intended use and realizable value are taken into account. The criteria for inventory intended use and realizable value cover quantity, technical and price risks.

F. BUSINESS COMBINATIONS

In a business combination the acquirer shall measure the identifiable acquired assets and the assumed liabilities (including contingent liabilities) at their acquisition-date fair values (Note 2.B). The estimates of the acquisition-date fair values are based on judgements and are determined by using certain measurement techniques, which are also supported by independent appraisers. The measurement period, which is the period after the acquisition date in which the acquirer can adjust the provisional amounts recognized in the business combination, provides to the acquirer a reasonable period of time to obtain the necessary information to identify and measure, at the acquisition-date as required by IFRS 3, among others, the identifiable acquired assets, the assumed liabilities, the consideration transferred or the resulting "Goodwill" (Note 4).

G. GOODWILL

"Goodwill" arising on acquisitions represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a business combination at the date of acquisition. The "Goodwill" is recognized as an asset and is tested for impairment annually, or whenever events or changes in circumstances indicate that it might be impaired. The "Goodwill" is carried at cost less accumulated impairment losses.

Once an impairment loss is recognized for goodwill, it is not reversed in subsequent periods.

H. OTHER INTANGIBLE ASSETS

"Other intangible assets" are recognized initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. The "Other intangible assets" with finite useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values. Intangible assets which are determined to have indefinite useful lives, as well as intangible assets not yet available for use, are not amortized but instead tested for impairment at least annually. Apart from the "Goodwill" (Note 3.G), SIEMENS GAMESA Group has not intangible assets of indefinite useful life as of September 30, 2020 and 2019.

“Other intangible assets” consist of internally generated technology (Note 3.X), software, patents, licenses and similar rights, as well as intangible assets acquired in business combinations. Estimated useful lives generally range from 3 to 10 years, except for intangible assets with finite useful lives acquired in business combinations. Intangible assets acquired in business combinations mainly consist of customer relationships, order backlog and technology and its initial recognition is made at fair value at the date of acquisition.

SIEMENS GAMESA Group determines the estimated useful lives and the relevant amortization charges for its intangible assets. The Group will increase the amortization charge where useful lives are shorter than previously estimated and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

I. PROPERTY, PLANT AND EQUIPMENT

“Property, plant and equipment” is valued at acquisition cost less any accumulated depreciation and any recognized impairment losses. In addition to the purchase price, acquisition costs include non-recoverable indirect taxes and any other costs directly attributable to transportation of the asset and conditioning for its intended use (including, if applicable, borrowing costs incurred during the construction period).

Subsequent costs, i.e. the ones related to the expansion, modernisation or improvement of an asset, are recognized in the carrying amount of the concerned asset when it is probable that the costs incurred will result in future economic benefits for SIEMENS GAMESA Group. All other costs incurred for ordinary repairs and maintenance are recognized in the Consolidated Statement of Profit and Loss as incurred.

SIEMENS GAMESA Group determines the estimated useful lives and the relevant depreciation charges for its property, plant and equipment. The Group will increase the depreciation charge where useful lives are shorter than previously estimated and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Depreciation expense is recognized using the straight-line method. The following useful lives are assumed:

	Average estimated useful life
Factory and office buildings	20 – 50
Other buildings	5 – 10
Technical machinery & equipment	5 – 10
Other property, plant and equipment	3 – 10

Property, plant and equipment under construction is not depreciated.

J. IMPAIRMENT OF ASSETS

“Property, plant and equipment” and “Other intangible assets” are reviewed for impairment at segment level whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

For intangible assets (other than “Goodwill”) as well as “Property, plant and equipment” it is a rebuttable presumption that the independent cash inflows can only be generated within a cash generating unit, which is the level of impairment testing. Prior to the segment level impairment test (Cash Generating Unit (hereinafter, “CGU”)), in case of assets that will obviously not generate future economic benefits (e.g. in the context of a plant closure), if it can be demonstrated that an individual asset will obviously not generate any further economic benefits – neither from its use nor from its disposal – (e.g. retirement by scrapping), the asset is written-off to the level of its realizable value. In case sites or production lines are planned to be closed down, the appropriate level for the performance of an impairment is the single assets affected by the close-down.

Likewise, regarding the capitalization of development costs, if one or more of the criteria for the capitalization of development costs are no longer met, the previous intangible asset under development is derecognized. Such criteria are the following:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Intention to complete the intangible asset and use or sell it.
- Ability to use or sell the intangible asset.
- Probable future economic benefit arising from the intangible asset.
- Availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset.
- Ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets that are not yet available for use are not depreciated and evaluated annually if the conditions for recognition continue to be met.

Whenever "Other intangible assets" and "Property, plant and equipment" have to be subject to the impairment test, the assessment of the recoverable amount of the assets involves the use of estimates chosen by the Management, which may have a substantial impact on the respective values and, ultimately, on the amount of impairment.

The impairment tests require the estimation of the future development of the businesses and the most appropriate discount rate in each case. SIEMENS GAMESA Group considers that its estimates in this area are adequate and coherent with the current economic environment and they reflect its investment plans and the best estimates available regarding its future revenues and income, and it considers that its discount rates adequately reflect the risks relating to each cash generating unit.

K. PROVISIONS

A distinction is drawn between:

- Provision: a present obligation (legal or constructive) as a consequence of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- Contingent liability: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the entity; or possible obligations, whose occurrence is unlikely or whose amount cannot be reliably estimated.

The Consolidated Financial Statements include all material provisions for which it is considered likely, that the obligation will have to be settled and whose amount can be measured reliably. Contingent liabilities are disclosed, but not recognized in the Consolidated Financial Statements, except for those which arise from business combinations (Note 2.B).

Provisions are recognized based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period. Provisions are fully or partially reversed when the obligations cease to exist or are reduced, respectively.

Provisions are recognized when the obligation arises, with a charge to the relevant heading in the Consolidated Statement of Profit and Loss based on the nature of the allocation of the corresponding functional cost of the obligation.

Provisions for warranty costs are recognized at the time when the significant risks and rewards of a project are transferred to the customer. In the event of the occurrence of exceptional technical issues which derive from increased failure rates beyond normal levels, provisions are made for warranties of a specific scope which are recognized once a technical issue has been detected and can be assessed for the entire affected population, if applicable. Here are included topics like serial defects, major repair cases, as well as the potential derived customer claims.

The provisions are recognized individually at the best estimate of the expenditure required by SIEMENS GAMESA Group to settle the underlying obligation (Note 19). Warranty provisions related to wind turbines are generally calculated using estimates regarding the number of component failures (failure rate estimate) and their rectification costs. In the case of new products, expert opinions and industry data are also taken into consideration in estimating product warranty provisions.

For wind farm projects that are accounted for using the percentage-of-completion method, the warranty cost is included in the project's planned costs. The warranty provision is recognized as a provision in the Balance Sheet at the point in time the wind farm project is handed over to the customer (and the Provisional Acceptance Certificate is obtained) and the warranty periods starts.

Expected losses from onerous contracts are recognized when the best estimate of total contract costs exceeds foreseen contract revenue.

Provisions are discounted to reflect the present value of the expected expenditure, when the effect of the time value of money is significant.

As of September 30, 2020 and 2019, certain litigation and claims against the consolidated companies arising from the ordinary course of their operations are in progress. The Group's legal advisors and the Company consider that the provisions recognized for this purpose are sufficient and that the outcome of these proceedings and claims will not have a material effect on the Consolidated Financial Statements for the years in which they would be settled (Note 19).

As of September 30, 2020 and 2019, there are no significant contingent liabilities or provisions that have not been recognized or disclosed in these Consolidated Financial Statements (Note 19).

L. POST-EMPLOYMENT BENEFITS

SIEMENS GAMESA Group measures the entitlements to post-employment benefits by applying the projected unit credit method. This 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 (hereinafter, Defined Benefit Obligation), the expected rates of future salary increase and expected rates of future pension increase are considered. The assumptions used for the calculation of the Defined Benefit Obligation as of the period-end of the preceding 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 year will be based on the discount rate for the respective year multiplied by the net liability at the preceding year's period-end date.

Current and past service cost for post-employment benefits and administration costs unrelated to the management of plan assets are allocated among functional costs. Past service cost and settlement gains (losses) are recognized immediately in the Consolidated Statement of Profit and Loss. For unfunded plans, the amount of the heading "Post-employment benefits" equals the Defined Benefit Obligation. For funded plans, SIEMENS GAMESA Group offsets the fair value of the plan assets with the Defined Benefit Obligation. The Group recognizes the net amount, after adjustments for effects relating to any asset ceiling.

Remeasurements (new measurements of the liability or asset for net deferred benefits) comprise actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interests on the defined benefit liabilities or asset. These are recognized in "Other comprehensive income, net of taxes".

Actuarial valuations are based on assumptions including discount rates, expected compensation increases, rate of pension increase and mortality rates. The used discount rate is determined by reference to yields on high-quality corporate bonds of appropriate duration at the end of the 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 assumptions may differ from real developments.

M. TERMINATION BENEFITS

Termination benefits are recognized in the period they are incurred, and when the amount can be reasonably estimated. Termination benefits arise as a result of an entity's offer made in order to encourage voluntary redundancy before the normal retirement date, or from an entity's decision to terminate the employment contract. Termination benefits in accordance with IAS 19, "*Employee Benefits*", are recognized as a liability when the entity can no longer withdraw the offer of those benefits. Termination benefits in accordance with IAS 37, "*Provisions, Contingent Liabilities and Contingent Assets*", are recognized when the entity has created a valid expectation in the employee.

N. CLASSIFICATION OF CURRENT AND NON-CURRENT LIABILITIES

Liabilities are classified as current or non-current on the basis of the projected period to maturity, disposal or settlement. Non-current liabilities are amounts due to be settled within more than twelve months from the date of the Consolidated Balance Sheet, except for the cases explained below.

Long term loans and credit facilities assigned to wind farms held for sale, which are legally structured in individual public or private limited liability companies, are classified as current or non-current depending on the foreseeable and expected sale date of these wind farms, because the sale of the shares in these individual companies leads to an exclusion of all assets and liabilities of the wind farm from the scope of consolidation.

Accordingly, regardless of the repayment schedule contractually established for these borrowings, the total amount of borrowings assigned to the wind farms that will foreseeably be sold within twelve months from the closing date of the Consolidated Financial Statements is classified under current liabilities.

O. GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Grants awarded for the purchase or the production of fixed assets (grants related to assets) may be offset against the acquisition or production costs of the respective assets reducing, if applicable, its future depreciations.

Government grants for future expenses are recorded as deferred income and allocated to income in the Consolidated Statement of Profit and Loss in the year in which the related expenses are incurred. In this context, government grants included in the Consolidated Statement of Profit and Loss amount to EUR 6 million for the year ended September 30, 2020 (6.2 million for the year ended September 30, 2019).

P. TREASURY SHARES, AT COST

The treasury shares held by SIEMENS GAMESA as the parent company of SIEMENS GAMESA Group as of September 30, 2020 and 2019 are recognized at acquisition cost with a charge to "Total equity - Treasury Shares, at cost" in the Consolidated Balance Sheet (Note 23.E).

The gains and losses derived from the purchase, sale, issue or cancellation of treasury shares are recognized directly in "Total equity".

Q. DIVIDENDS

Any interim dividends approved by the Board of Directors are deducted from "Total equity" in the Consolidated Balance Sheet. However, the complementary dividends proposed by the Board of Directors of SIEMENS GAMESA to the shareholders at the General Shareholders' Meeting are not deducted from equity until they have been approved by the latter. During the years ended September 30, 2020 and 2019 no interim dividends have been distributed.

Dividends have been paid during the year ended September 30, 2020 and 2019 (Note 23.G).

R. SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at the fair value of the equity instruments granted. This fair value is expensed on a straight-line basis over the vesting period, based on SIEMENS GAMESA Group's estimate of the shares that will ultimately be delivered, and credited to "Total equity" (Note 23.E and 23.F).

Fair value is measured using the market prices available on the measurement date, taking into account the terms and conditions upon which those equity instruments were granted.

If a grant of equity instruments is cancelled or settled during the vesting period (for a reason other than a grant cancelled by forfeiture when the vesting conditions are not met), SIEMENS GAMESA Group accounts for the cancellation or settlement as an acceleration of the vesting and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

For cash-settled share-based payments, a liability equal to their current fair value determined at the end of each reporting period is recognized.

SIEMENS GAMESA Group has made certain assumptions in order to calculate the liability arising from the obligations with employees. The fair value of those financial instruments granted as share-based payments (Notes 23.E and 23.F) that are not traded in an active market is determined by using measurement techniques. The Group uses judgments to select a series of methods and to make assumptions, that are mainly based on the market conditions existing at each Consolidated Balance Sheet date. Changes in these assumptions would not have a significant impact on these Consolidated Financial Statements.

S. FINANCIAL REPORTING BY SEGMENT

The reporting on operating segments is presented in accordance with the internal information that is provided to the chief operating decision maker. The Board of Directors has been identified as the main chief operating decision maker, as it is responsible for assigning resources and evaluating the performance of the operating segments, as well as it is in charge of taking strategic decisions.

T. INCOME TAX

The income or expense for income tax and taxes of a similar nature applicable to consolidated foreign entities is the amount, which for this concept, accrues in the year and includes both, current and deferred income or expense.

Both current and deferred tax income or expense are recognized in the Consolidated Statement of Profit and Loss, except when they are the result of a transaction whose results are recorded directly in "Total equity", in which case the corresponding tax is also recorded in "Total equity".

The current tax is the amount that the Group settles as a result of the tax filings of the income tax relating to a fiscal year. The deductions and other tax benefits in the tax liability, excluding the withholdings and payments on account, as well as the tax loss carryforwards from previous years, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the cancellation or recognition of deferred tax assets and liabilities. These include the temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of the assets and liabilities and their tax value, as well as the tax loss carryforwards pending to be compensated and the tax credits not applied. These amounts are recorded at the expected tax rate from the moment it is probable they are going to be recovered or settled.

Under the liability method, temporary differences that arise from assets or liabilities are the difference between the tax base of an asset or liability and its carrying amount in the Consolidated Balance Sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

“Deferred tax liabilities” will be recognized for all taxable temporary differences, except for those derived from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax base nor the accounting result and is not a business combination.

The Group is subject to income taxes in numerous jurisdictions. A significant level of judgement is required to determine the worldwide provision for income tax expenses. There are many transactions and calculations with respect to which the ultimate calculation of the tax is uncertain in the ordinary course of business. The tax calculation is made based on the best estimates of the Management according to the current tax regulations and considering the foreseeable development of the same in the different jurisdictions in which the Group operates. The Group recognizes liabilities for potential tax claims based on an estimation of whether additional taxes will be necessary. When the final tax result differs from the amounts which were initially recognized, such differences will have an effect on “Income tax” and the provisions for deferred taxes in the year in which they are deemed to arise (Notes 26 and 27).

SIEMENS GAMESA Group recognizes a deferred tax liability for all taxable temporary differences related to investments in subsidiaries, branches and associates, except to the extent where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

On the other hand, deferred tax assets are only recognized to the extent that it is considered probable that the Company and/or the Tax Group to which it belongs will have future taxable profits to recover them effectively. The recoverability of deferred tax assets is assessed based on projected future taxable profits. According to the level of historical taxable income and projections of future taxable income in the periods in which deferred tax assets are deductible, it is assessed whether it is probable that SIEMENS GAMESA Group will realise the benefits of these deductible differences (Note 27). At each closing, to the extent that doubts exist about their future recovery, the recorded deferred tax assets are analysed to appropriately value them. In addition, deferred tax assets not recorded in the Consolidated Balance Sheet are assessed at each closing and these are recognized when their recovery with future tax benefits becomes probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the amounts recognised under these headings and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and deferred tax liabilities are presented netted in the Consolidated Balance Sheet at the legal entity level as the conditions required are met in accordance with IAS 12 “*Income taxes*”.

U. REVENUE RECOGNITION

The Group's activities are mainly focused on:

- The promotion and development of wind farms, including engineering solutions, design, production and sale of wind turbines, and
- The rendering of operation and maintenance services through advanced technology services in the renewable energy sector.

These activities correspond to the reported segments "Wind turbines" and "Operation and Maintenance", respectively. In addition, spare parts are sold (mainly during the wind farm maintenance period).

Identification of performance obligations

- Sales from construction-type contracts: A construction-type contract is a contract specifically negotiated for the construction of an asset or a combination of assets. The elements of the construction-type contracts may comprise, for example, the design and construction of nacelles, blades, towers, transformers, wind turbines etc., the transportation and logistics, the software included in wind turbines, the engineering, the erection, installation and commissioning of new wind turbines into service, etc. and, if applicable, they may also include the development of the wind farm (obtaining permits, licenses and authorizations). The promises in a contract are highly interrelated, interdependent and involve a significant service of integration and therefore, are not capable to being distinct for themselves individually. Furthermore, the delivery of the elements in the contract requires a single overarching project management team to ensure that the promises are delivered to the customer as per the contract accordingly. Therefore, the promises form a single performance obligation that provides the customer a complete and integral solution as per the contract (that is, a complete functioning wind farm rendering the agreed megawatts of output), and therefore, there is no significant judgment in the identification of the performance obligations.

Construction-type contracts are satisfied over time because SIEMENS GAMESA Group's performance does not create an asset with alternative use for the Group (IFRS 15.36). The Group manages projects with technical features that are specific for each customer contract, and therefore SIEMENS GAMESA Group produces components as per demand of the project (i.e. not producing to stock), and furthermore each project has its site specific customization regarding the components that are produced and used in the project (there is always bespoke works which are performed specifically for the project, like for example the siting and the related engineering for offshore as well as for onshore projects). Revenues are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs.

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total estimated costs, total estimated revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group continuously updates the estimations (amongst others of total planned costs and estimated costs to complete) with a corresponding analysis of variances and accurate recognition and controlling of revenues. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. In addition, SIEMENS GAMESA Group 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.

In the case that separate legal entities are set-up for the development and sale of wind farms, the non-current assets (basically wind turbines, fixtures and civil engineering work) of the wind farms adopting the legal structure of a public or private limited liability company whose shares are fully consolidated in the accompanying Consolidated Financial Statements (see Appendix), are classified as "Inventories". These inventories are considered in the percentage-of-completion calculations as a project cost (i.e. projects consume such inventories), so that the accounting is the same as in the case of a wind farm

sales contract with a customer without the existence of a separate legal entity, although this business model is a less significant practice at present.

In the Operation and Maintenance business, the promises in the contract can also comprise of several services, like for example minor services, jack-up vessel services, regular maintenance, etc.

- Revenues from services: In typical service contracts of SIEMENS GAMESA Group (hereinafter, “Service contracts”), the promises form a single performance obligation as the customer simultaneously receives and consumes the benefits provided by the performance of SIEMENS GAMESA Group, that is, the operation and maintenance of a wind farm, as the services are being rendered by the Group. The promises in the contract are highly interrelated, interdependent and involve a significant service of integration and therefore, are not capable to being distinct for themselves individually. Furthermore, the provision of the elements in the contract requires a single overarching project management team to ensure that the promises are delivered to the customer as per the contract accordingly. Therefore, the promises form a single performance obligation that provides the customer a complete and integral solution as per the contract (e.g. a complete service solution for a wind farm for a period of years ensuring the proper functioning of the wind farm according to the technical specifications of the machines), and therefore, there is no significant judgment in the identification of the performance obligations.

Service contracts are satisfied over time because the customer simultaneously receives and consumes the benefits of the services performed by SIEMENS GAMESA Group. As in the construction-type contracts, revenues are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs.

In addition, it should be noted that in SIEMENS GAMESA Group’s standard construction-type contracts and service contracts, there is a termination clause that typically stipulates that the Group has enforceable right to payment for performance completed to date of termination (including reasonable profit margin).

- Sale of goods (mainly related to sale of spare parts): the promise to transfer the goods to the customer correspond to the performance obligations under IFRS 15, since the respective promises are generally capable of being distinct, not tied to other promises and therefore, distinct within the context of the contract. With regard to such contracts, the sale of spare parts is not significant to Group revenues.

Revenues are recognized at the point in time when control of the goods passes to the buyer, usually upon delivery of the goods (at a point in time).

Principal or agent

SIEMENS GAMESA Group acts as principal as it transfers control of and provides its own good or service directly to the customer. With that regard, the group performs own value adding activities and furthermore, SIEMENS GAMESA Group is primarily responsible for fulfilling the promise to provide the specified good or service. Accordingly, e.g. in cases of subcontracted works and/or suppliers’ deliveries of goods, in the context of construction contracts, the responsibility in front of the final customer remains with SIEMENS GAMESA Group.

The transaction price

The objective when allocating the transaction price is that the entity allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

Subsequent to the identification of the performance obligation in the contract, the contract price is allocated to the respective performance obligation. In general, SIEMENS GAMESA Group contracts consist of one performance obligation. Therefore, typically the contract price is fully assigned only to one performance obligation.

Variable consideration

- Construction-type contracts

There is no significant variable component in such contracts (without considering penalties due to delay clauses considered in the contracts).

- Service contracts

There are several service contracts with variable pricing tied to the energy produced by the wind farm (normally with a floor fee). However, and when applicable, it does not represent a substantial part of the fulfilment of the performance obligation as per the contract.

In cases where variable consideration is present in the contract, SIEMENS GAMESA Group assesses it based on likelihood of occurrence according to past experience in the wind farms. If it's highly probable that the variable consideration will occur, then it is incorporated in the planned revenue of the contract. The assessment is performed on a contract by contract basis and is reviewed regularly.

As described above, SIEMENS GAMESA Group generally has identified one performance obligation for each construction type and service contract. Therefore, if a portion of variable consideration is present it is deemed as attributable to the identified performance obligation i.e. to the contract as a whole.

Relation between the timing of satisfaction of the performance obligations and the typical timing of payment and the effects that those factors have on the contract asset and the contract liability balances

- Construction-type contracts: The planned points in time of revenue recognition are compared to the payment dates in order to identify the time period that elapses.

At contract approval date an analysis of monthly contract cash flows (collections and payments) is performed, in order to identify the financing period for discounting purposes. The company determines the existence of a significant financing component in the contracts by comparing the date on which it is expected to achieve the billing with the periods in which the contract asset is being generated, as the performance obligation is expected to be fulfilled. Based on abovementioned information it is concluded that for construction-type contracts (as also assessed on contract-by-contract basis) there is no financing component present (the average deferral period is less than 12 month).

- Service contracts and sale of goods: The timing of the rendering of the Operation and Maintenance services is generally not directly linked to the timing of payments from the customer for service contracts, although, there is a direct link referring to the sale of goods business (sale of spare parts, and sales of field services outside service contract). For the service contracts, SIEMENS GAMESA receives payments from the customer at regular intervals (typically quarterly invoicing), but timing of the service provided depends on the service season when the scheduled maintenance is performed. The timing of unscheduled maintenance cannot be predicted, and will only occur after a failure has happened (with a certain time lag depending on crane/jack up vessel availability, if such is needed). For example: a 15-year service contract will typically have one annual service campaign, and there could be years where unscheduled service is not necessary, while in other years there is more activity due to unscheduled service. Still, the customer payments for such service contract will not vary from the originally agreed payment schedule (apart from the possible price indexation, and from the fact that staggered pricing schemes are often agreed with the customer).

Other information about the performance obligations

- Construction-type-contracts

The average duration of SIEMENS GAMESA Group construction-type contracts is 1-3 years, with contracts for onshore wind projects in the lower part of the range and those for offshore wind projects in the upper part of the range.

Payment terms for the customer are usually and in average 30-60 days from the date of issue of the invoice, always according to the contract terms.

The main warranties offered to customers in these contracts are the assurance type warranty (normal product warranty), including the power curve warranty and availability warranty. The power curve warranty offers an assurance of compliance with the wind turbine specifications in relation to the electrical power available in the wind turbine at different wind speeds. The availability warranty refers to the wind turbine being able to produce when the conditions for it are met within the technical specifications of the machine. These warranties are customary in the sales process of construction-type contracts in the wind turbine industry and can therefore not be separated as performance obligation.

- Service contracts

The average duration of SIEMENS GAMESA Group's service contracts is of 8 to 9 years.

Payment terms for the customer are usually and in average 30-60 days from the date of issue of the invoice, always according to the contract terms.

The main warranty included in service contracts is related to the availability in the operation of the wind farm during the maintenance contract and is therefore an integrated element of the service performance obligation.

- Sale of goods

Payment terms for the customer in case of sale of goods are, generally and on average 30-60 days from the date of the issue of the invoice, always in accordance to the contract terms. Invoices are usually issued close to the time of delivery of the goods.

V. LEASES

Until September 30, 2019, SIEMENS GAMESA Group recognized lease agreements in accordance with the criteria established in IAS 17: "Leases" and IFRIC 4: "Determination of whether an agreement contains a lease". SIEMENS GAMESA Group classified leases as finance leases whenever all the risks and rewards incidental to the ownership of the asset were substantially transferred to the lessee. All other leases were classified as operating leases.

Finance leases were recognized at the starting date of the lease as assets and liabilities in the Consolidated Financial Statements at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each of those determined at the inception of the lease. The leased assets were depreciated in a similar manner as those assets owned by the Group.

Lease payments under an operating lease were recognized as an expense on a straight-line basis over the lease term in the Consolidated Statement of Profit and Loss.

From October 1, 2019, SIEMENS GAMESA Group has adopted IFRS 16. This standard, from the perspective of the lessee, eliminates the current classification among operating and finance leases and requires the lessee to recognize a right-of-use asset and a lease liability at the present value of the obligation to make lease payments. From the perspective of the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Right-of-use assets and lease liabilities

A lessee measures right-of use assets similarly to other non-financial assets (such as “Property, plant and equipment”) and lease liabilities similarly to other financial liabilities. Therefore, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability and classifies cash repayments of the lease liability into a principal and an interest portion.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments) and payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The initial value of the lease liability is calculated as the value of future lease payments that are discounted, as a general rule at the incremental rate of the underlying assets. Lease payments include:

- Fixed or substantially fixed lease instalments specified in the contract, after deduction of any incentive to be received by the lessee. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that affects the Group’s ability to exercise or not exercise the option to renew or to terminate;
- Variable instalments dependent on an index or rate;
- The amounts that the lessee expects to pay for guarantees on the residual value of the underlying asset;
- The exercise price of the purchase option, if it is reasonably certain that the lessee will exercise such option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. In general, the agreements have renewal and cancellation clauses.

Contingent lease payments subject to the occurrence of a specific event and the variable instalments dependent on the use of underlying asset are recorded at the time when they are incurred under the heading of cost by nature of external services in the Consolidated Statement of Profit and Loss, rather than as part of the lease liability. During fiscal year 2020, SIEMENS GAMESA Group has no contingent or variable lease payments (Note 18.B).

Subsequently, the lease liability is increased to reflect the finance costs and is reduced in the amount of the payments made. The unwinding of the financial discounting is recorded under “Interest expenses” in the Consolidated Statement of Profit and Loss. The lease liability is remeasured whenever there is a change in indexes or rates, in the estimated amounts to be paid for guarantees on the residual value, in those cases where the exercise of options to extend is considered reasonably certain or in those cases where the options to cancel are considered not to be exercised within reasonable expectations.

The right-of-use asset is initially recorded at cost, which includes:

- The amount of the initial measurement of the lease liability;
- Any lease payment made on or before the lease start date, minus lease incentives received;
- The initial direct costs incurred as a result of the lease, and
- An estimation of the costs that will be incurred by the lessee for the dismantling and restoration of the asset.

After the initial recognition, the right-of-use asset is recorded at cost less accumulated depreciation and impairment losses. The depreciation of the right-of-use asset is recorded in the Consolidated Statement of Profit and Loss during the useful life of the underlying asset, or during the lease term, whichever is shorter. If the property is transferred to the lessee or it is practically certain that the lessee will exercise the purchase option, it will be depreciated over the useful life of the asset. In case of non-removable leasehold improvements, the useful life of the respective leasehold improvement will not exceed the term of the lease contract. The weighted average lease term is as follows:

Thousands of euros	Weighted average lease term
Buildings and real property	11.28
Technical facilities and machinery	6.62
Other property, plant and equipment	3.13

For lease contracts which may include lease and non-lease components, in general SIEMENS GAMESA Group is not separating both elements for accounting purposes, recognizing them as a single element, except for the type of underlying assets for which the separation may have a significant impact on the Consolidated Financial Statements (i.e. services related to leases of vessels).

The preparation of these Consolidated Financial Statements in accordance with IFRS 16 has required SIEMENS GAMESA Group to make certain assumptions and estimates. In the determination of the lease term, SIEMENS GAMESA Group considers all the relevant facts and circumstances that create a significative economic incentive for the lessee to exercise the renewal option or not to exercise the cancellation option. Renewal or termination options are only included in the determination of the lease term if it is reasonably certain that the contract will be extended or will be terminated. If a significant event or a significant change in circumstances occurs that may affect the assessment of the term, the SIEMENS GAMESA Group reviews the assessment made in the determination of the lease term.

W. FUNCTIONAL COSTS

In general, operating expenses by type are assigned to the functions depending on the functional area of the corresponding profit and cost centres. The amortization, depreciation and impairment of "Other intangible assets" and "Property, plant and equipment" are included in functional costs depending on the use of the assets.

X. INTERNALLY GENERATED TECHNOLOGY

Costs of research activities are recognized as incurred. Development costs are capitalised when the recognition criteria in IAS 38 are met. Capitalised development expenses are stated at cost less accumulated amortization and impairment losses.

The amortization of development expenses begins when the asset is available for use, i.e., when it is in the condition necessary for it to be capable of operating in the manner intended by Management. The expenditure is amortized generally on a straight-line basis over the estimated period of time that the new product will generate economic benefits, at a maximum of 5 years.

Y. INTEREST EXPENSES

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset are part of the cost of that asset. A qualified asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Financial income obtained on the temporary investment of specific loans until their usage on qualified assets is deducted from the interest expense that may be capitalised.

All other borrowing costs are recognized as a cost in the period in which they are incurred.

Z. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the reporting period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net income for the reporting period by the weighted average number of ordinary shares outstanding in the period, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. For such purposes, dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the reporting period or, if later, at the date of the issuance of the potential ordinary shares.

Basic earnings per share in the years ended September 30, 2020 and 2019 coincide with diluted earnings per share, since there were no potential shares outstanding in those periods (Note 33).

4. Acquisitions, disposals and discontinued operations

Acquisition of Servion European Onshore Services

The assets and liabilities of Servion Deutschland GmbH and its subsidiaries are included in the Consolidated Financial Statements at their acquisition date fair values. The following figures result from the preliminary purchase price allocation as of the acquisition date: "Other intangible assets" EUR 146 million (related to the fair value of order backlog and customer relationships), "Property, plant and equipment" EUR 36 million, "Trade and other receivables" EUR 58 million, "Inventories" EUR 26 million, Other current and non-current financial assets EUR 3 million, "Cash and cash equivalents" EUR 4 million, Other current and non-current assets EUR 3 million, "Contract assets" EUR 12 million, "Financial Debt" EUR 14 million, "Trade payables" EUR 2 million, "Contract liabilities" EUR 34 million, "Other current financial liabilities" EUR 5 million, Current and non-current provisions EUR 133 million, Other current and non-current liabilities EUR 49 million, Current income tax liabilities net EUR 8 million and Deferred tax assets net EUR 5 million.

The "Goodwill" allocated to the Operation and Maintenance segment has been provisionally determined in an amount of EUR 74 million (Note 13).

The acquired business has contributed revenues of EUR 124 million and a negative net result of EUR 12 million (pre-purchase price allocation impacts) to SIEMENS GAMESA Group for the period from acquisition to September 30, 2020. The revenue and result of the combined entity for the current reporting year as though the acquisition date had been as of the beginning of the annual reporting year amounts to EUR 167 million and a negative net result of EUR 7 million, respectively, (pre-purchase price allocation impacts).

The consideration paid for this business combination amounts to EUR 122 million (EUR 118 million net of cash acquired).

The accounting for this business combination has been determined provisionally as of the date of preparation of these Consolidated Financial Statements, due to the fact that the measurement of the acquired assets and liabilities has not yet been completed, as well as the fact that the 12-month period since the acquisition of Servion Deutschland GmbH established by IFRS 3 "Business Combinations" has not elapsed.

Acquisition of the blade manufacturing business in Vagos of Servion

The assets and liabilities of Ria Blades, S.A. and associated additional assets are included in the Consolidated Financial Statements at their acquisition date fair values. The following figures result from the preliminary purchase price allocation as of the acquisition date: "Property, plant and equipment" EUR 58 million, "Inventories" EUR 4 million, Other current and non-current financial assets EUR 1 million, Other current and non-current assets EUR 1 million, "Trade payables" EUR 1 million, Current and non-current provisions EUR 4 million, Other current and non-current liabilities EUR 2 million, Current income tax assets net EUR 1 million and Deferred tax assets net EUR 2 million.

No "Goodwill" has been provisionally determined to be allocated to the Wind Turbine segment (Note 13).

The acquired business has contributed revenues of EUR 1 million and a negative net result of EUR 6 million (pre-purchase price allocation impacts) to SIEMENS GAMESA Group for the period from acquisition to September 30, 2020. The revenue and net result of the combined entity for the current reporting year as though the acquisition date had been as of the beginning of the annual reporting year amounts to EUR 18 million and EUR 1 million, respectively, (pre- purchase price allocation impacts).

The consideration paid for this business combination amounts to EUR 60 million (EUR 60 million net of cash acquired).

The accounting for this business combination has been determined provisionally as of the date of preparation of these Consolidated Financial Statements, due to the fact that the measurement of the acquired assets and liabilities has not yet been completed, as well as the 12-month period since the acquisition of Ria Blades, S.A. and associated additional assets established by IFRS 3 "Business Combinations" has not elapsed.

The costs associated to both transactions amount to EUR 13 million and have been registered in the Consolidated Statement of Profit and Loss.

5. Financial Risk Management

Due to the nature of its activities, SIEMENS GAMESA Group is exposed to a variety of financial risks: (i) market risks, in particular foreign exchange risk, market price risk and interest rate risk, (ii) liquidity risk, and (iii) credit risk. The aim of the Financial Risk Management is to identify, measure, monitor and mitigate those risks and their potential adverse effects on the operational and financial performance of the Group. The general conditions for compliance with the Group's Financial Risk Management process are set out through policies approved by the Top Management. The identification, assessment and hedging of financial risks lies in the responsibility of each business unit.

A. MARKET RISK

a) Foreign exchange risk

SIEMENS GAMESA Group carries out transactions with international counterparties in the normal course of business, leading to incomes in currencies other than euro, and to future cash flows generated by SIEMENS GAMESA Group's companies that are denominated in a currency other than their functional currencies, and are therefore exposed to risks from changes in foreign currency exchange rates.

Foreign currency exchange rate exposure is partially balanced by purchasing of goods, commodities and services in local market currencies where the business is being conducted, as well as by locating the production activities and other contributions along the supply chain in those local markets. Furthermore, to the extent possible, currency clauses are integrated into commercial contracts to transfer total or partially foreign currency risk to counterparts.

In the cases where it is not possible to apply the measures described above, SIEMENS GAMESA Group uses financial instruments to hedge the remaining risk exposure, since its objective is to generate profits through business operations, and not by speculating with the exchange rate fluctuations (Note 10). For this purpose, the Group analyses the foreign currency exposure on its confirmed order backlog as well as on the planned and highly probable foreign currency transactions.

Due to the international set-up of the Group, cash flows are generated in numerous different currencies. The majority of foreign currency transactions of the Group are denominated in united states dollars, danish kroner, chinese yuans, indian rupees, brazilian reals, sterling pounds and mexican pesos. According to SIEMENS GAMESA Group's general Foreign Exchange risk management framework, foreign currency risk has to be hedged within a band of at least 75% up to a maximum of 100%. The financial instruments used to hedge this risk are primarily foreign currency exchange forward contracts and foreign currency swaps (Note 10).

The following table shows the translation impact on profit and loss and equity as a result of changes in exchange rates as of September 30, 2020 and 2019 for the Group's most significant currencies, by simulating a 5% devaluation and appreciation of the euro against the respective currency:

Thousands of euros	Exchange rate at 09.30.2020	Debit / (Credit) (*)			
		Devaluation 5% of euro		Appreciation 5% of euro	
		Impact on income before taxes	Impact on equity before taxes	Impact on income before taxes	Impact on equity before taxes
United States dollar	1.1708	1,020	(41,807)	(1,020)	41,807
Danish krone (**)	7.4462	3,556	(7,656)	(4,214)	9,072
Chinese yuan	7.9720	(1,016)	(32,495)	1,016	32,495
Indian rupee	86.2990	23,008	(80,753)	(23,008)	80,753
Brazilian real	6.6308	3,551	(4,369)	(3,551)	4,369
Sterling pound	0.9124	(4,719)	(3,807)	4,719	(3,807)
Mexican peso	26.1848	1,884	(8,486)	(1,884)	8,486

(*) Income and equity increase in negative and expenses and equity decrease in positive.

(**) To calculate the sensitivity of the change of the Danish Krone's exchange rate, the fluctuation bend fixed by the European Central Bank and the Danish Bank is used (2.25% over the 7.4604 DKK/EUR fixed rate).

Thousands of euros	Exchange rate at 09.30.2019	Debit / (Credit) (*)			
		Devaluation 5% of euro		Appreciation 5% of euro	
		Impact on income before taxes	Impact on equity before taxes	Impact on income before taxes	Impact on equity before taxes
United States dollar	1.0889	(198)	(32,842)	198	32,842
Danish krone (**)	7.4662	(9,167)	(8,132)	8,553	7,587
Chinese yuan	7.7784	(662)	(33,514)	662	33,514
Indian rupee	77.1615	5,680	(76,322)	(5,680)	76,322
Brazilian real	4.5288	520	(6,531)	(520)	6,531
Sterling pound	0.8857	(5,427)	344	5,427	(344)
Mexican peso	21.4522	1,245	(11,062)	(1,245)	11,062

(*) Income and equity increase in negative and expenses and equity decrease in positive.

(**) To calculate the sensitivity of the change of the Danish Krone's exchange rate, the fluctuation bend fixed by the European Central Bank and the Danish Bank is used (2.25% over the 7.4604 DKK/EUR fixed rate).

b) Market price risk

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

COVID-19

On December 31, 2019, China alerted the World Health Organisation (hereinafter, "WHO") of the new Covid-19 disease. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 the WHO characterized the public health emergency situation caused by the outbreak as a pandemic.

As Covid-19 has spread globally, rapidly increasing the number of infections, many countries have required companies to limit or suspend business operations mainly during the second and third quarter of fiscal year 2020 and implemented restrictions regarding movement of people and quarantine measures. Those partly remain in force ever since and have extensively disrupted regular way of business with negative implications for international trade and production processes, global supply chain disruptions and demand shocks and a high uncertainty in the capital markets.

SIEMENS GAMESA Group is taking measures as to ensure business continuity selling, manufacturing, installing and servicing wind turbine generators for its customers worldwide. From the very beginning of this crisis (Covid-19), SIEMENS GAMESA Group activated the global crisis management and has established a task force dedicated to continuously monitor the impact and mitigation measures.

This task force has adopted processes to address the group's utmost priority of keeping its employees and their families safe and healthy, implementing a series of actions aimed at balancing the demands of health and safety with those of business activity. Such actions were developed in three workstreams: "Business Continuity", "People" (Health and Safety) and "Communication".

Actions in the area of "Business Continuity" are aiming at fully understanding the pandemic implications on SIEMENS GAMESA Group's value chain and developing and implementing appropriate responses to minimize impact on business. Such responses included expediting critical supplies and transportation, enforcing eligible contract terms towards customers and vendors, continuous optimization of production plans and active participation in developing local safety protocols to ensure safe production. Further the monitoring of the financial implications of the Covid-19 pandemic was developed and implemented as well.

The "Business Continuity" workstream was closely interacting with the "People" workstream. That workstream focused on the development and implementation of enhanced strict safety protocols for all work stations in offices, plants and wind farm sites, defined testing and quarantine strategies and related traceability systems for employees, suppliers and customers where work in presence was unavoidable. SIEMENS GAMESA Group extended its virtual collaboration capacity tremendously in terms of number of users and introducing state of the art workplace software in order to gain the capability to close down entire office locations and switch to its smart working environment. Following the pandemic developments data driven decisions are made for closing SIEMENS GAMESA Group locations for in presence work. For each location a multi-phase re-opening strategy is defined with reference to the development of pandemic key indicators for employees to return on a must-have basis.

All actions are accompanied by a broad communication plan developed and implemented in the "Communication" workstream. It entails a daily update on SIEMENS GAMESA Group's rating of the pandemic development, safety protocols, testing strategies and a real-time voluntary monitoring tool. All communication is utilizing effective means of communication utilizing digital channels mostly.

Despite all efforts, SIEMENS GAMESA Group faced various adverse effects in its business, financial position, results of operations and cash flows. The main impact of the pandemic during the second quarter to the fourth quarter of 2020 was due to:

- Delays in executing projects in the Wind Turbines segment, which pushed part of the activity to fiscal year 2021 because of suspended tasks on project sites, disruptions to the supply chain, employees absence due to sickness and/or governmental restrictions and the resulting temporary closure and/or reduced capacities of plants in Brazil, China, India, Spain, United Kingdom (hereinafter, "UK") and the United States;
- delays in executing projects in the Operation and Maintenance segment mainly due to restrictive safety protocols and as part thereof quarantine regimes which delayed the resource allocation at wind farm sites and therefore causing additional costs and adversely impacting incentive schemes driven by high availability of wind turbines;
- the resulting costs of under-utilization of SIEMENS GAMESA Group's plants and equipment;
- the resulting higher costs due to prolongation and acceleration actions in project execution and higher shipping costs due to accelerating deliveries of disrupted supply chains;
- the resulting liquidated damages for not fulfilling contractual commitments; and
- the increase in the price of some raw materials, such as balsa wood, because of the supply disruptions.

The disruptions in SIEMENS GAMESA Group's supply chain, manufacturing operations, project execution and commercial activity have largely impacted the onshore activities within the Wind Turbines segment. The impact on the offshore activities within the Wind Turbines segment and in the Operation and Maintenance segment materialized to a lower extent. Therefore, since the second quarter of fiscal year 2020, SIEMENS GAMESA Group was affected by temporary factory closures of different duration at plants located in China, India, Spain and UK due to governmental regulation or material shortage. Project execution was consequently affected in all regions with different levels of impact due to the same reasons.

During August all manufacturing had returned to normal while Brazil and India were the latest countries getting back to full capacity due to significant portions of the workforce of SIEMENS GAMESA Group being unable to work effectively, mainly due to illness, quarantines or government actions.

As a consequence, derived from the conditions described above the impact in the Consolidated Financial Statements of SIEMENS GAMESA Group directly attributable to Covid-19 has been the reduction in revenue recognition, due to less than planned production volume and project installation progress, as well as additional project costs and liquidated damages due to failure to meet contractual commitments, with a total negative impact in Earnings before interest and taxes ("EBIT")¹ in an estimated amount of EUR 181 million.

SIEMENS GAMESA Group expects that the ultimate significance of the impact of the Covid-19 pandemic will be dictated by the extent such disruptions will recur in fiscal year 2021. At the moment of preparation of these Consolidated Financial Statements, there is still a significant degree of uncertainty on how the pandemic will develop. In this regard, due to the rapid spread of the virus in September and October, on October 25, 2020, the Spanish Government approved a second state of alarm by Royal Decree 926/2020 to contain the spread of infections caused by Covid-19, mainly through restrictions on the movement of people and quarantine procedures. Other countries in which SIEMENS GAMESA Group operates (such as UK, France and Germany, among others) adopted similar measures to contain the virus. There is currently no further material effect in fiscal year 2021 expected beyond the considerations included due to events which already occurred in fiscal year 2020, and the reach of the risk posed by Covid-19 is not clear. Therefore, further business disruptions (as well in the fiscal year 2021) due to Covid-19 protection measures cannot be excluded. If the Covid-19 pandemic is worsening again,

¹ Earnings before interest and taxes (hereinafter, "EBIT"): operating profit as per the Consolidated Income Statement. It is calculated as "Income (loss) from continuing operations before income taxes", before "income (loss) from investments accounted for using the equity method", interest income and expenses and "other financial income (expenses), net".

macroeconomic conditions may be further adversely affected, potentially resulting in an economic downturn in the countries in which the Group operates and in the global economy more widely, which could adversely impact the business, results of operations and financial condition of the Group also in fiscal year 2021 (Note 13).

BREXIT

The exit of the UK from the European Union triggers an extended period of uncertainty, which adversely impacts future investments in the UK's energy market and also increases the uncertainty in the business development of SIEMENS GAMESA Group in the UK.

On March 29, 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (hereinafter, "the EU"). There was an initial 2 years timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship. On March 29, 2019 the UK Parliament voted for a third time against the Prime Minister's Brexit deal, which, if approved, would have opened the way to the UK leaving the EU on a revised date of May 22, 2019. On April 10, 2019, the UK Government and the EU agreed an extension for the Brexit until October 31, 2019. On October 17, 2019, UK and the European Commission approved an orderly Brexit which was not supported by the Parliament. On October 28, 2019 the EU agreed a new extension for the Brexit until January 31, 2020. The Prime Minister, Boris Johnson, won the elections in the UK on December 12, 2019 and finally got the support from the UK Parliament to leave the EU on December 20, 2019. In January, 2020, the UK left the EU after reaching an agreement with the EU to do so. A grace period has begun, ending on December 31, 2020. During this period, nothing regarding movement of people and goods or duties changes, being a period without any restrictions until a final agreement is reached between EU and UK.

At the time of the preparation of these Consolidated Financial Statements, there is still significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU. As a result, the period during which the existing EU laws for member states will continue to apply to the UK is also uncertain, as well as which laws will apply to the UK after the exit. The consequences derived from it, for any resulting scenario, are still uncertain, affecting, among other factors, the value of the pound against the euro, the access to the European single market, the circulation of people and goods, services and capital, or the valuation of the investments made in the UK.

Nowadays, the main Group operations related to the UK market are the following:

- Currently there is no significant pipeline of UK onshore projects due to government restrictions to the support to new onshore developments. Several projects are still in the sales phase where Brexit risks can be covered in the contract negotiations. Projects in the Republic of Ireland continue but, as Ireland remains in the EU, no impacts are expected.
- Much of the Group's current activity in the UK consists in the supply and installation of offshore projects.
- SIEMENS GAMESA Group has made a major investment in manufacturing in the UK with the establishment of a primary production of offshore wind turbine blades on a site that is closely located to the Group's port facility. Now, the Group manufactures the current generation of blades for its offshore projects, which will be used on both UK and European projects, and thus commencing with exports from the factory. The factory currently employs over 800 people.
- SIEMENS GAMESA Group also provides warranty services to new projects and long-term service of wind farm fleets for customers. With a major base in Newcastle upon Tyne, Service also operates a widely distributed workforce with satellite locations at offshore wind farms and onshore wind hubs across the UK.

The specific risks that arise from the negotiations between the UK and the EU and which affect the Group's activities are presented below:

- It is expected that the custom duties and tariffs will be applied to imported equipment that is currently tariff free. However, it is expected that the UK government would set temporary MFN ("Most favoured nation") rates and therefore, presumably, no tariff costs would arise in a post-Brexit situation, at least during the first year following the date of exit.
- The Group imports a significant part of the raw materials for the production of blades from the EU (Denmark and Germany). The Group is currently analysing the supply chain flows and the measures to be implemented aimed at reducing lead-times and mitigating other potential risks from Brexit.
- The status of EU employees working for SIEMENS GAMESA Group in the UK as residents and also the possibility that UK workers can travel and work freely in other EU countries is being analysed. However, the exposure to these risks is considered low.
- It is expected that the cost of blades exported to other EU countries increase due to additional duties in the EU.

The Group has evaluated the possible scenarios derived from the Brexit concluding that it will be able to cover these uncertainties through several risk mitigation measures, in particular:

- Creation of an inventory of spare parts and purchase diverse materials in advance.
- Logistical changes, mainly in the ports of entry of merchandise.
- Review of the "legal clause" in old contracts, as well as the introduction of a new "BREXIT" clause in possible new contracts.

Based on risk assessment and its mitigation, no significant risk on the recoverability of assets resulting from past investments in the UK is identified. In any case, no material impact on the Group's total assets is expected as the Group's UK investments represent less than 2.7% of the total Group's consolidated assets as of September 30, 2020 (less than 0.8% as of September 30, 2019; the change compared to September 30, 2019 is due to the first-time adoption of IFRS 16 during fiscal year 2020). A close analysis and follow-up of the situations that could suppose a significant risk and of the measures to be taken in this regard are performed on a regular basis through an established task force that continuously monitors the exit process.

TRADE WAR BETWEEN THE UNITED STATES, CHINA AND THE EUROPEAN UNION

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

At the time of preparation of these Consolidated Financial Statements, there is still significant uncertainty about the potential trade war between the United States, China and the EU. Although a phase 1 of an agreement between the United States and China has been reached on January 15, 2020, there is significant uncertainty as to what tariffs will be applied in the different countries to different products. The United States administration introduced tariffs on various categories of goods and materials, including steel, and threatened to introduce further tariffs. In response, the EU, China and other jurisdictions introduced tariffs on certain goods and materials of the United States. Such tariffs increase the cost of certain key raw materials used in the Group's business, mainly in its manufacturing and construction processes. At the date of preparation of these Consolidated Financial Statements no significant impacts, additional to those already included in the Consolidated Financial Statements for the year ended September 30, 2019, are expected. The Group has assessed the possible scenarios from the trade war, concluding that it will be able to reduce these risks by taking several risk mitigation measures including changes in its supply chain, transfer of costs to its clients, as well as request for exemptions to certain tariffs. A

close analysis and follow-up is performed on a regular basis through the export control and customs and the purchasing departments.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SIEMENS GAMESA Group uses external sources to finance parts of its operations. Loans at variable rates expose the Group to interest rate risks, while loans at fixed rates expose the Group to fair value interest rate risk. The variable rates are mainly linked to the LIBOR or the EURIBOR. SIEMENS GAMESA Group continuously analyses the split of external financing at variable and fixed rates to optimise the interest rate exposure.

The Group has occasionally used derivative financial instruments to mitigate the interest rate risk. These interest rate hedges are assigned specifically to debt instruments and are matching their maturity as well as their nominal amount (Note 10).

As of September 30, 2020 and 2019, the split of the borrowings into fixed and variable rate is as follows:

Thousands of euros	09.30.2020		09.30.2019	
	Excluding hedges (Note 18)	Including hedges	Excluding hedges (Note 18)	Including hedges
Fixed Rate	240,000	731,791	-	-
Variable Rate	819,571	327,780	864,435	864,435
Total	1,059,571	1,059,571	864,435	864,435

Based on instruments bearing interests at fixed and variable rates and financial instruments hedging interest rate risk which SIEMENS GAMESA Group holds, a hypothetical change in the interest rates applicable to the respective instruments would have had the following effects:

Thousands of euros	Debit / (Credit) (*)			
	Variation in interest -0.25%		Variation in interest +0.25%	
	Impact on income before taxes	Impact on equity	Impact on income before taxes	Impact on equity
09.30.2020	(1,152)	-	1,152	-
09.30.2019	(3,838)	-	3,838	-

(*) Income and equity increase in negative and expenses and equity decrease in positive.

B. LIQUIDITY RISK

Liquidity risk is the risk that SIEMENS GAMESA Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. The Group mitigates the liquidity risk by the implementation of an effective working capital and cash management as well as with arranged credit facilities with highly rated financial institutions. In its liquidity estimate, SIEMENS GAMESA Group takes into account future lease payments in a way that ensures the liquidity needed to meet those payments. As of September 30, 2020, SIEMENS GAMESA Group has unused credit facilities amounting to EUR 3,140 million, which represents 75% of total credit facilities limit (EUR 2,791 million as of September 30, 2019, 77% of total credit facilities limit).

Furthermore, the Group attempts to maintain a financial debt structure that is in line with the maturity of the assets to be financed. Therefore, non-current assets are financed with long-term debt or equity, whereas working capital is mainly financed with short-term borrowings.

C. CREDIT RISK

The credit risk is the risk that exists when a counterparty or customer does not meet its contractual payment obligations, and this leads to a loss for SIEMENS GAMESA Group.

The Group deals generally with customers that have an appropriate credit history and rating. The customers usually are companies within the energy sector where the steady cash-inflows from the sale of electricity leads to an above average credit rating. Nevertheless, in cases of customers with a below average rating or credit history, SIEMENS GAMESA Group uses a variety of mitigation measures, such as irrevocable letters of credit or export insurances to cover the increased credit risk. Furthermore, the customer contract is individually analysed, and specific conditions according to the credit risk exposure are included to safeguard the Group from an insolvency of the counterparty.

The analysis of the overdue trade receivables, which cover the majority of the financial assets and which have not been impaired individually, notwithstanding that the value adjustments derived from the application of the expected credit losses model are already included, as of September 30, 2020 and 2019, is as follows:

Thousands of euros	09.30.2020	09.30.2019
Less than 90 days	149,410	165,730
90 - 180 days	81,923	64,829
More than 180 days	78,401	125,183
Total trade and other receivables – overdue	309,734	355,742

The credit risk exposure of cash and other cash equivalents can be anticipated with the credit rating of the corresponding financial institutions. The overview below discloses the cash and cash equivalents as of September 30, 2020 and 2019, by financial institutions with the following ratings (Note 7):

Thousands of euros	09.30.2020	09.30.2019
AA-	1,326	12,974
A+	509,933	518,211
A	235,038	181,713
A-	136,347	216,543
BBB+	560,638	696,746
BBB	51,530	17,229
BBB-	32,409	11,856
BB+ or lower	94,572	72,185
Total	1,621,793	1,727,457

6. Earnings allocation

At the date of preparation of these Consolidated Financial Statements, SIEMENS GAMESA Group's Board of Directors, estimates that it will propose to the General Shareholders' Meeting for its approval, the following allocation of results for the year ended September 30, 2020 as shown below, determined according to Spanish accounting regulations applicable to the Statutory Financial Statements of the Company:

Thousands of euros	09.30.2020
Basis of distribution	
Result for the year	(1,167,449)
Total	(1,167,449)
Distribution	
Prior period's losses	(1,167,449)
Total	(1,167,449)

7. Cash and other cash equivalents

The breakdown of “Cash and cash equivalents” as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Cash in euros	657,394	887,234
Cash in foreign currency (Note 3.C)	867,123	726,320
Liquid assets (Note 3.C)	97,276	113,903
Total	1,621,793	1,727,457

The heading “Cash and cash equivalents” includes mainly the Group's cash and short-term bank deposits with an initial maturity of three months or less. “Cash and cash equivalents” accrue interests at market interest rates. There are no restrictions on the use of these balances.

The liquid assets maturing in less than three months are denominated in foreign currency (Note 3.C).

8. Trade and other receivables

The detail of “Trade and other receivables” in the Consolidated Balance Sheet as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Trade and other receivables from third parties	1,169,698	1,317,034
Trade and other receivables from related parties (Note 30)	50,193	27,070
Impairment of trade and other receivables	(79,036)	(57,323)
Total	1,140,855	1,286,781

All the aforementioned balances mature in less than twelve months and are non-interest-bearing.

The carrying amount of the “Trade and other receivables” denominated in foreign currency as of September 30, 2020 and 2019 is as follows (Note 3.C):

Currency	Equivalent value in thousands of euros	
	09.30.2020	09.30.2019
Canadian dollar	3,507	3,326
United States dollar	209,436	174,269
Sterling pound	14,371	21,334
Chinese yuan	84,755	83,180
Danish krone	5,057	71,911
Swedish krona	46,486	1,116
Brazilian real	59,978	7,566
Australian dollar	11,063	6,876
Egyptian pound	14,762	14,856
Indian rupee	63,256	176,318
Taiwan dollar	32,318	12,342
Norwegian krone	73,345	4,872
Other currencies	41,822	32,538
Total	660,156	610,504

Movements in the provision for the impairment of trade and other receivables have been as follows:

Thousands of euros	
Balance at 10.01.2019	57,323
Business combinations	7,438
Reversal of unused amounts	(9,910)
Creation of provisions	45,591
Provisions applied to intended purpose	(19,608)
Currency translation differences	(1,798)
Balance at 09.30.2020	79,036

Thousands of euros	
Balance at 09.30.2018	54,333
Transition to IFRS 9	3,270
Balance at 10.01.2018	57,603
Reversal of unused amounts	(12,046)
Creation of provisions	20,089
Provisions applied to intended purpose	(8,965)
Currency translation differences	642
Balance at 09.30.2019	57,323

Generally, these charges and releases resulting from the valuation of trade receivables are recorded under the heading of "Selling expenses and general administration expenses" in the Consolidated Statement of Profit and Loss, since they are considered marketing expenses as they are linked to the sales of products or services. In cases where these impacts come from administrative functions within the area of responsibility for operations or plants, these expenses could be assigned to the heading "Cost of sales" in the Consolidated Statement of Profit and Loss, if applicable.

The movements in the provision mainly relate to value adjustments made by the Group companies, on their trade receivables. These are made based on the criteria established by the Group during the year, and their amount, when taken individually, is not material for disclosure purposes. The movements in the provision for the impairment of trade and other receivables during 2020 correspond to value adjustments made mainly in India.

9. Financial instruments by category

A. COMPOSITION AND BREAKDOWN OF OTHER FINANCIAL ASSETS

The breakdown of the "Other financial assets" of SIEMENS GAMESA Group as of September 30, 2020 and 2019, presented by nature and category for measurement purposes, is the following:

Thousands of euros		09.30.2020		
Other financial assets:				
Nature / Category	Credits, receivables and other	Derivatives	Total	
At fair value through Profit or Loss	-	-	-	
At fair value through Other Comprehensive Income	-	-	-	
At amortised cost	117,492	-	117,492	
Hedge derivatives (Note 10)	-	33,595	33,595	
Other derivatives (Note 10)	-	60,990	60,990	
Short-term / current	117,492	94,585	212,077	
At fair value through Profit or Loss (Note 17)	28,020	-	28,020	
At fair value through Other Comprehensive Income	-	-	-	
At amortised cost (Note 17)	88,883	-	88,883	
Hedge derivatives (Notes 10 and 17)	-	17,535	17,535	
Other derivatives (Notes 10 and 17)	-	100,135	100,135	
Long-Term / non-current	116,903	117,670	234,573	
Total	234,395	212,255	446,650	

Thousands of euros		09.30.2019		
Other financial assets:				
Nature / Category	Credits, receivables and other	Derivatives	Total	
At fair value through Profit or Loss	-	-	-	
At fair value through Other Comprehensive Income	-	-	-	
At amortised cost	135,800	-	135,800	
Hedge derivatives (Note 10)	-	33,362	33,362	
Other derivatives (Note 10)	-	105,574	105,574	
Short-term / current	135,800	138,936	274,736	
At fair value through Profit or Loss (Note 17)	28,043	-	28,043	
At fair value through Other Comprehensive Income	-	-	-	
At amortised cost (Note 17)	39,186	-	39,186	
Hedge derivatives (Notes 10 and 17)	-	5,298	5,298	
Other derivatives (Notes 10 and 17)	-	70,935	70,935	
Long-Term / non-current	67,229	76,233	143,462	
Total	203,029	215,169	418,198	

Other financial assets at amortised cost

On March 17, 2020, SIEMENS GAMESA Group has reached an agreement with Areva Energies Renouvelables SAS and Areva S.A., (hereinafter, "Areva") with the purpose of settling all the disputes, duties and liabilities as well as any past, present and future claims of the Parties.

The Settlement Agreement establishes that, as consideration for the account receivable that the Group company Adwen Offshore, S.L.U. has at the date of the agreement, it is no longer obliged to repay any principal, interest or other amounts related to the outstanding Shareholder Loan with Areva and that such Shareholder Loan is hereby terminated. Furthermore, Areva agrees to pay to Adwen Offshore, S.L.U. an amount of EUR 72.4 million, payable in two equal instalments on or before January 31, 2021 and on or before December 31, 2021, respectively. As of September 30, 2020, corresponding to this settlement agreement, the amount of EUR 33.2 million is booked under "Other current financial assets" of the Consolidated Balance Sheet, and the amount of EUR 27.9 million is booked under "Other non-current financial assets". Such amounts are booked net of the corresponding discount effect and of the application of the credit risk and expected loss model in accordance with IFRS 9.

As a result, SIEMENS GAMESA has recognized an income of EUR 61.1 million in the heading "Cost of sales" of the Consolidated Statement of Profit and Loss for the year ended September 30, 2020.

B. COMPOSITION AND BREAKDOWN OF FINANCIAL DEBT AND OTHER FINANCIAL LIABILITIES

The breakdown of the “Financial debt” and “Other financial liabilities” of the Group as of September 30, 2020 and 2019, presented by nature and category for measurement purposes, is the following:

Thousands of euros	09.30.2020		
Financial debt and Other financial liabilities: Nature / Category	Payable financial liabilities	Derivatives	Total
Debt with financial institutions and other obligations (*) (Note 18.A)	319,050	-	319,050
Lease liabilities (*) (Note 18.B)	115,263	-	115,263
Hedge derivatives (Note 10)	-	22,758	22,758
Other derivatives (Note 10)	-	68,408	68,408
Other financial liabilities	35,500	-	35,500
Short-term / current	469,813	91,166	560,979
Debt with financial institutions and other obligations (*) (Note 18.A)	740,521	-	740,521
Lease liabilities (*) (Note 18.B)	495,574	-	495,574
Hedge derivatives (Note 10)	-	35,495	35,495
Other derivatives (Note 10)	-	79,025	79,025
Other financial liabilities	11,804	-	11,804
Long-Term / non-current	1,247,899	114,520	1,362,419
Total	1,717,712	205,686	1,923,398

(*) Included within “Financial debt” in the Consolidated Balance Sheet.

Thousands of euros	09.30.2019		
Financial debt and Other financial liabilities: Nature / Category	Payable financial liabilities	Derivatives	Total
Financial debt (Note 18.A)	352,209	-	352,209
Hedge derivatives (Note 10)	-	37,871	37,871
Other derivatives (Note 10)	-	75,260	75,260
Other financial liabilities	17,265	-	17,265
Short-term / current	369,474	113,131	482,605
Financial debt (Note 18.A)	512,226	-	512,226
Hedge derivatives (Note 10)	-	23,434	23,434
Other derivatives (Note 10)	-	66,955	66,955
Other financial liabilities	79,446	-	79,446
Long-Term / non-current	591,672	90,389	682,061
Total	961,146	203,520	1,164,666

10. Derivative financial instruments

SIEMENS GAMESA Group uses derivative financial instruments to hedge the risks to which its activities, transactions and future cash flows are exposed, mainly foreign currency and interest rate risk.

The detail of the balances that represent the valuation of derivatives in the Consolidated Balance Sheets as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020			
	Current		Non-current	
	Assets (Note 9)	Liabilities (Note 9)	Assets (Notes 9 and 17)	Liabilities (Note 9)
Interest rate hedges				
Cash-flow hedges	-	190	-	240
Electricity prices hedges				
Cash-flow hedges	6	-	-	188
Foreign currency hedges				
Cash-flow hedges	33,589	22,568	17,535	35,067
Other derivatives				
Foreign currency derivatives	38,504	42,610	26,238	40,438
Embedded derivatives	22,477	25,798	73,897	38,587
Other derivatives	9	-	-	-
Total	94,585	91,166	117,670	114,520

Thousands of euros	09.30.2019			
	Current		Non-current	
	Assets (Note 9)	Liabilities (Note 9)	Assets (Notes 9 and 17)	Liabilities (Note 9)
Interest rate hedges				
Cash-flow hedges	-	-	-	-
Electricity prices hedges				
Cash-flow hedges	-	56	-	865
Foreign currency hedges				
Cash-flow hedges	33,362	37,815	5,298	22,569
Other derivatives				
Foreign currency derivatives	94,873	63,210	7,043	31,353
Embedded derivatives	10,696	12,012	63,892	35,602
Other derivatives	5	38	-	-
Total	138,936	113,131	76,233	90,389

All derivative financial instruments of the Group are grouped in category 2 (Note 3.B). In such financial instruments, the effects of discounting have not been significant.

There have been no transfers between the categories of assets at fair value during the year ended September 30, 2020 and 2019.

In the year ended September 30, 2020, SIEMENS GAMESA Group has recognized EUR 108 thousand as expense due to interest rate swaps under "Interest expenses" (the Group has not recognized any expense in the year ended September 30, 2019). Likewise, in the year ended September 30, 2020 the Group has recognized an income under the heading "Revenue" of the Consolidated Statement of Profit and Loss amounting to EUR 2,412 thousand (12,408 as expense in the year ended September 30, 2019) and has recognized an expense under the heading "Cost of sales" of the Consolidated Statement of Profit and Loss amounting to EUR 2,368 thousand (an income amounting to EUR 4,668 in the year ended September 30, 2019) due to currency forwards. Finally, it has recognized an income of EUR 239 thousand (EUR 470 thousand as expense in the year ended September 30, 2019) under the heading "Cost of sales" of the Consolidated Statement of Profit and Loss, due to electricity price hedges. These amounts have been reclassified from "Total equity - Unrealised asset and liability revaluation reserve" (Note 23.C), under which they had been previously booked.

SIEMENS GAMESA Group uses foreign currency hedging derivatives to mitigate the possible volatility effect of exchange rate fluctuations on future cash flows from transactions and loans in currencies other than the functional currency of the respective companies. In addition, SIEMENS GAMESA Group designates hedges for the exchange rate risk deriving from certain intragroup monetary transactions carried out by companies with different functional currencies. As of September 30, 2020 and 2019 the total nominal value hedged by exchange rate hedges is as follows:

Currency	Thousands of euros	
	09.30.2020	09.30.2019
Danish krone	3,853,732	2,366,972
Chinese yuan	640,980	309,282
Taiwan dollar	475,208	274,501
Norwegian krone	430,157	367,721
United States dollar	373,838	23,926
Swedish krona	296,375	191,591
Sterling pound	286,170	220,455
Japanese yen	84,495	116,947
Brazilian real	77,914	42,359
Australian dollar	60,375	21,835
Polish zloty	54,445	10,803
Indian rupee	30,158	34,443
New Zealand dollar	20,870	45,314
Romanian leu	17,552	18,031
Turkish lira	17,089	1,969
Egyptian pound	16,670	18,355
Chilean peso	13,771	6,032
Moroccan dirham	8,000	1,637
Russian ruble	7,828	12,841
Mexican peso	2,333	24,220
South African rand	1,914	34,812
Canadian dollar	870	29,395
Other currencies	22,262	22,575
Total	6,793,006	4,196,016

In addition, SIEMENS GAMESA Group has interest rate hedges to reduce the effect of changes in interest rates on future cash flows of loans linked to variable interest rates. As of September 30, 2020, the nominal value of the liabilities covered by interest rate hedges amounts to EUR 500,000 thousand, not having contracted any interest rate derivatives as of September 30, 2019.

The main features of the interest rate hedges are as follows:

09.30.2020	Hedge estimated maturity (nominal value in thousand euros)	
	Short-term	Long-term
Interest rate hedges	-	500,000

09.30.2020	Estimated cash-flows in the period (thousand euros)	
	Short-term	Long-term
Interest rate hedges	(190)	(240)

09.30.2019	Hedge estimated maturity (nominal value in thousand euros)	
	Short-term	Long-term
Interest rate hedges	-	-

09.30.2019	Estimated cash-flows in the period (thousand euros)	
	Short-term	Long-term
Interest rate hedges	-	-

No significant ineffectiveness has been detected in the hedges designated by SIEMENS GAMESA Group as of September 30, 2020 and 2019 and this effect, if any, has been registered in the Consolidated Statement of Profit and Loss.

A. CREDIT RISK

The risk breakdown, by geographical area and counterparty, indicating the book value thereof at the relevant dates, is as follows:

	09.30.2020		09.30.2019	
	Thousands of euros	%	Thousands of euros	%
By geographical area				
Germany	4,254	2%	133,359	62%
Spain	12,041	6%	2,468	1%
Other European Union countries	82,668	39%	48,223	22%
Rest of the world	113,292	53%	31,119	15%
Total	212,255	100%	215,169	100%
By counterparty				
Financial institutions	115,884	55%	7,262	3%
Related parties	-	-%	133,320	62%
Other institutions	96,371	45%	74,587	35%
Total	212,255	100%	215,169	100%

The breakdown of the derivatives according to the credit ratings assigned by external credit rating agencies is as follows:

	09.30.2020		09.30.2019	
	Thousands of euros	%	Thousands of euros	%
Risks rated A+ or A-	83,787	39%	135,501	63%
Risks rated BBB+	22,471	11%	2,400	1%
Risks rated BBB	-	-%	586	-%
Risks rated BBB- or less	105,997	50%	76,682	36%
Total	212,255	100%	215,169	100%

B. MARKET RISK

The sensitivity of the market value of the hedging derivatives arranged by SIEMENS GAMESA Group to interest rate and exchange rate changes is as follows:

Thousands of euros	Percentage change in exchange rate			
	2020		2019	
	+5%	-5%	+5%	-5%
Change in the value of the hedge	(326)	326	(1,086)	1,086

Thousands of euros	Percentage change in interest rate			
	2020		2019	
	+5%	-5%	+5%	-5%
Change in the value of the hedge	-	-	-	-

C. MATURITY OF DERIVATIVE ASSETS AND LIABILITIES

The maturities of derivative assets are as follows:

Thousands of euros	09.30.2020			
	< 1 year	1-2 years	2-3 years	> 3 years
Electric prices hedges	6	-	-	-
Foreign currency hedges	33,589	10,877	3,205	3,453
Other derivatives	60,990	38,370	9,609	52,156
Total	94,585	49,247	12,814	55,609

Thousands of euros	09.30.2019			
	< 1 year	1-2 years	2-3 years	> 3 years
Electric prices hedges	-	-	-	-
Foreign currency hedges	33,362	2,023	417	2,858
Other derivatives	105,574	11,196	10,633	49,106
Total	138,936	13,219	11,050	51,964

The maturities of derivative liabilities are as follows:

Thousands of euros	09.30.2020			
	< 1 year	1-2 years	2-3 years	> 3 years
Interest rate swaps	190	120	120	-
Electric prices hedges	-	188	-	-
Foreign currency hedges	22,568	4,395	4,073	26,599
Other derivatives	68,408	32,560	10,519	35,946
Total	91,166	37,263	14,712	62,545

Thousands of euros	09.30.2019			
	< 1 year	1-2 years	2-3 years	> 3 years
Interest rate swaps	-	-	-	-
Electric prices hedges	56	209	656	-
Foreign currency hedges	37,815	4,325	926	17,318
Other derivatives	75,260	15,949	20,214	30,792
Total	113,131	20,483	21,796	48,110

11. Customer contracts

The breakdown of the balances of the Consolidated Balance Sheet related to contracts with customers as of September 30, 2020 and 2019, is the following:

Thousands of euros	09.30.2020	09.30.2019
Contract assets	1,537,953	2,056,255
Contract liabilities	3,147,830	2,839,670

Revenue recognition utilizing the Percentage of Completion method is based on costs incurred to date over total estimated costs. Nevertheless, the amounts invoiced to the customer are based on achieved milestones set out in the contract. Therefore, amounts recognized as revenue in a period do not have to match the amounts invoiced in the same period. In contracts where recognized revenue is greater than the volume invoiced, the difference is recognized in the "Contract assets" account, while in contracts where recognized revenue is less than the volume invoiced, the difference is recognized in the "Contract liabilities" account.

The reason why the net balance of contract assets and contract liabilities changes from EUR 783,415 thousand net contract liabilities to EUR 1,609,877 thousand net contract liabilities during 2020 is mainly due to significant initial milestone collections of contracts linked to order entry of the fourth quarter of 2020. As described in the management report of the Consolidated Financial Statements of fiscal year 2020, the group Order Intake in the fourth quarter of 2020 amounted to EUR 2,564 million driven by the strong commercial activity in all the Group

businesses. In general, the development of net contract assets/liabilities is significantly driven by the milestone achievements within each and every project.

As of September 30, 2020, and 2019, amounts expected to be settled after twelve months are EUR 5,107 thousand and EUR 1,275 thousand, respectively, for “Contract assets” and EUR 1,169,770 thousand and EUR 440,180 thousand, respectively, for “Contract liabilities”. The increase in long-term “Contract liabilities” is mainly due to the increase in offshore projects for which the initial collection milestone has already been received and whose execution is expected during the fiscal year 2022 and subsequent years and the effect of delays in the execution of projects as a result of Covid-19.

In fiscal year 2020 and 2019, “Revenue” includes EUR 2,105,834 thousand and EUR 844,447 thousand, respectively, which were included in contract liabilities at the beginning of the fiscal year. The deviation from the estimate at the end of the previous year is mainly due to the delays in projects mentioned above.

The amount of “Contract assets” recognized at the beginning of fiscal years 2020 and 2019, have been mostly invoiced during the respective years.

In fiscal year 2020 and 2019, EUR 12,064 thousand and EUR 17,441 thousand, respectively, are included in “Revenue”, relating to performance obligations satisfied in previous periods.

As of September 30, 2020, order backlog amounted to EUR 30,248 million (EUR 25,507 million as of September 30, 2019), of which EUR 15,110 million correspond to the Wind Turbines segment (EUR 13,606 million as of September 30, 2019) and EUR 15,138 million to the Operation and Maintenance segment (EUR 11,901 million as of September 30, 2019). The orders are determined mainly as the estimated revenue of accepted purchase orders for which enforceable rights and obligations exist, as well as subsequent order value changes and adjustments, excluding letters of intent. To determine orders, SIEMENS GAMESA Group considers termination rights and customer’s creditworthiness. During fiscal year 2020 order intake amounted to EUR 14,736 million (EUR 12,749 million during fiscal year 2019), EUR 10,584 million for the Wind Turbines segment (EUR 10,034 million during fiscal year 2019) and EUR 4,152 million for the Operation and Maintenance segment (EUR 2,715 million during fiscal year 2019). Out of the total order backlog as of September 30, 2020, the Group expects to recognize as revenue EUR 9,728 million in the fiscal year 2021 and EUR 20,520 million in the fiscal years 2022 and onwards.

12. Inventories

The breakdown of “Inventories” as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Raw materials and supplies	1,025,966	979,748
Work in progress	514,891	425,990
Finished goods	359,826	425,861
Advances to suppliers	230,686	188,087
Inventory write-downs	(311,232)	(155,767)
Total	1,820,137	1,863,919

A significant part of the Group’s inventories are recorded under the heading “Raw materials and supplies”, and mainly comprise raw materials and consumables dedicated to the manufacture of wind turbines and the construction of wind farms in the Wind Turbine segment, as well as supplies and consumables necessary to carry out maintenance tasks in the Operation and Maintenance segment. Within finished products, there are fundamentally those components such as nacelles, blades, transformers, among others, necessary to meet the commitments that the group has for the supply of spare parts for existing operation and maintenance contracts in the order backlog, as well as to cover the needs for spare parts estimated in its warranty provisions. Additionally, components for sale in the aftermarket, after the end of the maintenance contracts, are also registered under this heading.

The Group’s inventories are stored on the manufacturing sites, as well as in central distribution warehouses and in the different locations where the wind farms are located.

In relation to the movement of inventory write-downs during 2020 and 2019, the detail is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Changes Reversals Provisions applied	Currency translation differences	Others	Balance at 09.30.2020
Inventory write-downs	(155,767)	-	(178,557)	16,425	6,667	(311,232)
Total	(155,767)	-	(178,557)	16,425	6,667	(311,232)

Thousands of euros	Balance at 10.01.2018	Business combinations	Changes Reversals Provisions applied	Currency translation differences	Others	Balance at 09.30.2019
Inventory write-downs	(148,994)	-	(5,604)	(2,528)	1,359	(155,767)
Total	(148,994)	-	(5,604)	(2,528)	1,359	(155,767)

Provisions recorded as of September 30, 2020 and 2019 basically refer to the amount provisioned for the recoverable value of inventories, for technical, quantity and price risks.

During the year ended September 30, 2020, inventory allowances have been recorded directly related to the restructuring plan in India (Note 29.C) amounting to EUR 126 million, EUR 18 million for the termination of contracts in Argentina and EUR 12 million in Mexico due to regulatory changes in the country which have affected the development of projects in progress.

Cost of sales include inventories recognized as expense amounting to EUR 6,953 million and EUR 6,786 million in the years ended September 30, 2020 and 2019, respectively.

As of September 30, 2020 and 2019, there are no inventories pledged as security for liabilities.

13. Goodwill

The carrying amount of "Goodwill" is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Currency translation differences	Balance at 09.30.2020
Cost	4,776,381	73,966	(268,616)	4,581,731
Accumulated impairment losses	(32,228)	-	602	(31,626)
Total Goodwill	4,744,153	73,966	(268,014)	4,550,105

Thousands of euros	Balance at 10.01.2018	Business combinations	Currency translation differences	Balance at 09.30.2019
Cost	4,589,810	-	186,571	4,776,381
Accumulated impairment losses	(32,203)	-	(25)	(32,228)
Total Goodwill	4,557,607	-	186,546	4,744,153

As consequence of the business acquisitions described in Notes 1.B and 4, a preliminary “Goodwill” has been recorded in an amount of EUR 74 million.

The “Goodwill” impairment test is performed at the segment level, Wind Turbines and Operation and Maintenance. SIEMENS GAMESA Group considers that its CGUs correspond to its segments (Wind Turbines and Operation and Maintenance), since they are the smallest identifiable groups of assets that generate cash flows independently and that the Group monitors, fundamentally because it centrally manages its global manufacturing footprint and global supply chain, to serve global customer accounts, which operate transversally both in regions and in product types. Such segments are consistent with the segments identified in Note 25.

SIEMENS GAMESA Group, in accordance with IAS 36.69, has taken into account several factors for determining whether cash inflows and cash outflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets).

- In relation to the manufacturing sites in the Wind Turbine segment, the planning of the manufacturing activities is managed centrally to cover the global demand that the segment faces, and the manufacturing sites can and do provide components for the various commercial activities/product types carried out by the segment. Therefore, the components of the manufacturing footprint of SIEMENS GAMESA Group are highly interrelated.
- On the other hand, considering the different activities included as part of the Wind Turbine segment (manufacturing of turbines and development, construction and sale of wind farms), these activities that are in general part of the contracts with customers for the delivery of wind farms are all considered part of one performance obligation, due to the high interrelation of these activities in the context of the contract (Note 3.U). Additionally, the main customers are global customer accounts that operate across regions and product types, and which are also managed centrally.
- In relation to the various types and capacities of manufactured wind turbines, the various types of wind turbine models manufactured and installed by SIEMENS GAMESA Group can be classified into several categories, mainly onshore and offshore, and within these into different types, amongst others, by nominal power and wind class. Wind Turbine models are constantly evolving towards higher nominal power, increased rotor diameter and improved cost of energy. As this evolution takes place, the newer models are built upon and based on the previous models. To that regard, cash flows could not be allocated to a particular type of Wind Turbine (in fact, within the same wind farm several wind turbine models can coexist).
- Finally, with regard to the different geographical areas in which the Group operates, SIEMENS GAMESA group serves demand in a large number of countries, using its global manufacturing footprint together with the global supply chain and as mentioned before, the manufacturing footprint of the Group is managed centrally to serve global demand.

For the purpose of estimating the segments’ fair value less costs to sell, cash flows for the next five years have been projected based on past experience, actual operating results and Management’s best estimate about future developments, as well as market assumptions.

For the purpose of the Goodwill impairment test, SIEMENS GAMESA generally uses the discounted cash flow methodology for business valuations, using cash flow projections for the next five years and a normalized terminal value, and using the specific weighted average cost of capital (hereinafter, “WACC”) for the Goodwill-carrying unit (i.e. the reportable segments), which can be considered equivalent to the value in use of the net assets under analysis. For determining the fair value less costs to sell of such net assets, the hypothetical costs to sell such net assets are deducted from its determined fair value (equivalent to value in use). In practice, the costs to sell often are estimated as a percentage of fair value. These costs reflect incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense (IAS 36.6). Examples of such costs are legal costs, stamp duty and similar transaction taxes, costs of removing the asset and direct incremental costs to bring an asset into condition for its sale. In order to calculate the Fair Value less cost of disposal SIEMENS GAMESA uses an estimate of a 2% (cost of disposal) that is deducted from the discounted cash flow value (equivalent to value in use). As a consequence of this calculation logic, fair value less cost to sell is always less than the value in use.

The fair value less costs to sell, calculated as indicated, is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. Both assumptions are individually determined for each segment group. Discount rates are based on the WACC for the segments and are calculated based on a risk-free rate of interest and a market risk premium. In addition, the discount rates reflect the current market assessment of the specific risks of each segment by considering specific peer group information on factors, leverage and cost of debt. The parameters for calculating the discount rates are based on external sources of information. The peer group is subject to an annual review and adjusted, if necessary. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine the fair value less costs to sell for impairment test purposes for the segments to which a significant amount of goodwill is allocated:

09.30.2020			
Thousands of euros	Goodwill allocation	Terminal value growth rate	Weighted average cost of capital (WACC^(*))
Wind Turbines segment	1,771,511	1.40%	8.50%
Operation and Maintenance segment	2,778,594	1.40%	8.50%
Total	4,550,105		

09.30.2019			
Thousands of euros	Goodwill allocation	Terminal value growth rate	Weighted average cost of capital (WACC^(*))
Wind Turbines segment	1,875,464	1.40%	8.50%
Operation and Maintenance segment	2,868,689	1.40%	8.50%
Total	4,744,153		

(*) The pre-tax discount rate calculated so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals the value in use determined using post-tax cash flows and a post-tax discount rate is approximately 10.6% for the Wind Turbine segment and approximately 11.0% for the Operation and Maintenance segment in 2020 (approximately 11,0% for the Wind Turbine segment and approximately 11,4% for the Operation and Maintenance segment in 2019).

Additionally, for the Wind Turbines segment a sales volume close to EUR 9,000 million has been considered for 2021 (close to EUR 9,000 million for 2020 as of September 30, 2019) with a 1.5% negative profit margin pre-PPA² for 2021 (0.6% for 2020 as of September 30, 2019), and for subsequent years a gradual increase has been considered due to the evolution of the composition of the revenue line ("business mix"), the synergies and the capacity adjustment measures adopted. The projected revenue growth reflects a compound annual growth rate (hereinafter, "CAGR") of approximately 9.24% over the projection period (7.98% in 2019). The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 78.91% of the total recoverable value in 2020 (81.78% in 2019).

On the other hand, for the Operation and Maintenance segment a sales volume above EUR 2,000 million has been considered for 2021 (above EUR 1,500 million for 2020 as of September 30, 2019) with a 17.42% profit margin pre-PPA for 2021 (21.7% for 2020 as of September 30, 2019), and for subsequent years a gradual increase has been considered due to the synergies and the capacity adjustment measures adopted. The projected revenue growth reflects a CAGR of approximately 11.82% over the projection period (7.70% in year 2019). The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 86.91% of the total recoverable value in 2020 (72.16% in 2019).

The sensitivity analysis for the group of segments has been based on a reduction of the profit margin pre-PPA by 10% or an increase in after-tax discount rates by one percentage point or a reduction in the terminal value growth rate by one percentage point or a 10% reduction in terminal value margin. As indicated in Note 5.A on Covid-19, there is currently no further material effect in fiscal year 2021 expected beyond the considerations included due to events which already occurred in fiscal year 2020. However, at the moment of preparation of these Consolidated Financial Statements, there is still a significant degree of uncertainty on how the pandemic will develop. SIEMENS GAMESA Group concluded that no impairment loss would need to be recognized on "Goodwill" in any of the two segments, even after considering an increase in after-tax discount rates by one percentage point additional to the

² Profit margin pre-PPA ("EBIT pre-PPA"): EBIT excluding the impact on amortization of intangibles' fair value from the Purchase Price Allocation ("PPA").

aforementioned (that is, a total increase of up to two percentage points), in response to the uncertainty derived from the pandemic situation.

Therefore, the recoverable amounts estimated for the annual impairment test for 2020 for SIEMENS GAMESA Group's segments are higher than their carrying amounts.

14. Other intangible assets

The development in the heading "Other Intangible Assets" in the Consolidated Balance Sheet in the years 2020 and 2019 is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Additions	Disposals	Currency translation differences	Transfers	Balance at 09.30.2020
Cost							
Internally generated technology	407,672	-	182,086	(14,035)	627	366	576,716
Acquired technology including patents, licenses and similar rights	1,245,860	-	-	-	23	-	1,245,883
Customer relationships and order backlog	1,253,331	146,214	-	-	(104,445)	-	1,295,100
	2,906,863	146,214	(182,086)	(14,035)	(103,795)	366	3,117,699
Amortization and impairment							
Internally generated technology	(94,271)	-	(58,129)	13,936	(171)	-	(138,635)
Acquired technology including patents, licenses and similar rights	(517,042)	-	(167,785)	-	(35)	-	(684,862)
Customer relationships and order backlog	(379,820)	-	(177,439)	-	42,568	-	(514,691)
	(991,133)	-	(403,353)	13,936	42,362	-	(1,338,188)
Total other intangible assets	1,915,730	146,214	(221,267)	(99)	(61,433)	366	1,779,511

Thousands of euros	Balance at 10.01.2018	Business combinations	Additions	Disposals	Exchange differences	Transfers	Balance at 09.30.2019
Cost							
Internally generated technology	249,350	-	159,059	(621)	(116)	-	407,672
Acquired technology including patents, licenses and similar rights	1,245,331	-	806	(245)	(32)	-	1,245,860
Customer relationships and order backlog	1,198,174	-	-	-	55,157	-	1,253,331
	2,692,855	-	159,865	(866)	55,009	-	2,906,863
Amortization and impairment							
Internally generated technology	(52,437)	-	(42,070)	181	55	-	(94,271)
Acquired technology including patents, licenses and similar rights	(345,584)	-	(171,721)	236	27	-	(517,042)
Customer relationships and order backlog	(272,411)	-	(94,645)	-	(12,764)	-	(379,820)
	(670,432)	-	(308,436)	417	(12,682)	-	(991,133)
Total other intangible assets	2,022,423	-	(148,571)	(449)	42,327	-	1,915,730

A. MOVEMENTS FOR THE YEAR

During the years 2020 and 2019, the main increase in the capitalised development costs is due to the development of new wind turbine models, software and the optimization of the components' performance for an amount of EUR 182 million and EUR 159 million, respectively. These additions are mainly in Denmark amounting to EUR 107 million during 2020 (EUR 123 million during 2019) and in Spain amounting to EUR 72 million during 2020 (EUR 29 million during 2019).

Not capitalised research and development expenses for the years ended September 30, 2020 and 2019 amount to EUR 231 million and EUR 208 million, respectively.

The impairment losses (included under customer relationships and order backlog) for the year ended September 30, 2020 amount to EUR 82 million and are directly related to the restructuring plan in India (Note 29.C). The ones for the year ended September 30, 2019, amounted to EUR 14 million and are related to development costs for the evolution of platforms incurred in Denmark, on which there were doubts about its capacity to generate future cash flows.

B. ACQUIRED TECHNOLOGY, CUSTOMER RELATIONSHIPS AND ORDER BACKLOG

Merger of Siemens Wind Power Business with Gamesa (fiscal year 2017)

Acquired technology includes technologies identified in line with the SIEMENS GAMESA Merger valued on platform basis amounting to EUR 561 million as of September 30, 2020 (EUR 729 million as of September 30, 2019). The fair value at the Merger effective date of technology identified in line with the Merger amounted to EUR 1,147 million. The remaining useful life for these intangible assets, depending on the different platform types, is between 1.5 and 16.5 years (in average 5.01 years).

The fair value of customer relationships identified in line with the SIEMENS GAMESA Merger amounted at the Merger effective date to EUR 958 million. The remaining useful life depends on the business segment for which the customer relationship has been identified: 2.5 years on average for the Wind Turbine segment and 16.41 years on average for the Operation and Maintenance segment.

Furthermore, an order backlog amounting to EUR 385 million was identified at the Merger effective date. The remaining useful life depends on the individual contracts and is between 0.25 and 16.25 years (13.48 years in average) for the Operation and Maintenance segment (the ones that refer to the Wind Turbines segment are fully amortized as of September 30, 2020).

The carrying amount of customer relationships and order backlog as of September 30, 2020, excluding the amounts related to the acquisition of the Servion European Onshore Services of Servion, is EUR 644 million (EUR 874 million as of September 30, 2019).

Acquisition of Servion European Onshore Services of Servion (fiscal year 2020)

Additionally, as explained in Note 4, the line item "Other intangible assets" includes the fair value provisionally identified in the business combination of the Servion European Onshore Services for the customer relationships and the order backlog for an amount of EUR 36 million and EUR 110 million, respectively. The average remaining useful life is of 15.5 years for the customer relationships and of 9.5 years for the order backlog, and all together have been allocated to the Operation and Maintenance segment.

The carrying amount of customer relationships and order backlog as of September 30, 2020 related to the acquisition of the Servion European Onshore Services, is EUR 136 million once the amortization of the period has been deducted.

C. FULLY AMORTIZED ASSETS

The acquisition cost of fully amortized intangible assets that remained in use as of September 30, 2020 and 2019 amount to EUR 210 million and EUR 140 million, respectively. As of September 30, 2020 and 2019, most of these assets correspond to internally generated technology and acquired technology including patents, licenses and similar rights.

D. COMMITMENTS FOR THE ACQUISITION OF OTHER INTANGIBLE ASSETS

As of September 30, 2020 and 2019, SIEMENS GAMESA Group has no significant contractual commitments for the acquisition of other intangible assets.

15. Property, plant and equipment

The development in "Property, plant and equipment" in the Consolidated Balance Sheet in the years 2020 and 2019 is as follows:

Thousands of euros	Balance at 09.30.2019	Transition to IFRS 16 (Note 2.D)	Business combinations (Notes 1.B and 4)	Additions	Disposals	Exchange differences	Transfers	Balance at 09.30.2020
Cost								
Land and buildings	909,708	-	57,744	20,410	(11,823)	(19,868)	11,954	968,125
Leased land and buildings under finance leases	-	523,777	13,276	96,763	(7,541)	(22,699)	-	603,576
Technical facilities and machinery	760,996	-	17,461	89,017	(37,219)	(43,868)	44,682	831,069
Leases technical equipment and machinery	-	144,572	-	27,055	-	(597)	-	171,030
Other property, plant and equipment	894,403	-	5,187	121,437	(43,268)	(13,330)	51,230	1,015,659
Leased other equipment, plant and office equipment	-	9,796	312	10,294	(213)	(636)	-	19,553
Equipment leased to third parties	-	1,058	-	7,075	(71)	8	-	8,070
Property, plant and equipment under construction	157,870	-	395	188,335	(2,271)	(1,870)	(108,232)	234,227
	2,722,977	679,203	94,375	560,386	(102,406)	(102,860)	(366)	3,851,309
Depreciation and impairment								
Land and buildings	(231,197)	-	-	(42,538)	2,005	5,607	-	(266,123)
Leased land and buildings under finance leases	-	-	-	(55,426)	378	1,574	-	(53,474)
Technical facilities and machinery	(393,847)	-	-	(150,193)	26,922	26,628	-	(490,490)
Leases technical equipment and machinery	-	-	-	(48,759)	5	77	-	(48,677)
Other property, plant and equipment	(669,080)	-	-	(134,224)	43,192	16,110	-	(744,002)
Leased other equipment, plant and office equipment	-	-	-	(6,798)	127	170	-	(6,501)
Equipment leased to third parties	-	-	-	(2,906)	14	5	-	(2,887)
Property, plant and equipment under construction	(2,952)	-	-	-	2,952	-	-	-
	(1,297,076)	-	-	(440,844)	75,595	50,171	-	1,612,154
Total Property, plant and equipment	1,425,901	679,203	94,375	119,542	(26,811)	(52,689)	(366)	2,239,155

Thousands of euros	Balance at 10.01.2018	Additions	Disposals	Exchange differences	Transfers	Balance at 09.30.2019
Cost						
Land and buildings	893,670	14,528	(19,671)	15,496	5,685	909,708
Technical facilities and machinery	681,596	95,292	(68,858)	17,914	35,052	760,996
Other property, plant and equipment	821,356	99,806	(77,077)	7,935	42,383	894,403
Property, plant and equipment under construction	121,559	128,275	(11,573)	2,729	(83,120)	157,870
	2,518,181	337,901	(177,179)	44,074	-	2,722,977
Depreciation and impairment						
Land and buildings	(196,439)	(41,792)	10,495	(3,461)	-	(231,197)
Technical facilities and machinery	(297,782)	(133,384)	48,191	(8,926)	(1,946)	(393,847)
Other property, plant and equipment	(581,457)	(160,227)	74,887	(4,229)	1,946	(669,080)
Property, plant and equipment under construction	-	(2,952)	-	-	-	(2,952)
	(1,075,678)	(338,355)	133,573	(16,616)	-	(1,297,076)
Total Property, plant and equipment	1,442,503	(454)	(43,606)	27,458	-	1,425,901

A. MOVEMENTS FOR THE YEAR

The main additions for the year ended September 30, 2020 are mainly related to SIEMENS GAMESA Group's leases (EUR 141 million) and improvement in different factories and prototypes in Denmark, as well as a new production plant in France and the normal capital expenditure in different countries. The acquisitions during the year 2019 were mainly related to improvements in different factories and prototypes in Denmark, capacity increase of equipment in Spain as well as the normal maintenance capital expenditure in India.

Additionally, "Property, plant and equipment" has increased by EUR 36 million and EUR 58 million as a result of the acquisition of the Servion European Onshore Services and the wind turbine blade production business of Servion, respectively, as it is described in Notes 1.B and 4.

The impairment losses of the year ended September 30, 2020 are related to the impairment of the machinery and production tooling in India (related to the restructuring plan in India, Note 29.C), production tooling in Morocco and United States as well as the closure of the Aoiz plant in Spain amounting in total to EUR 28 million (Note 29.E). The impairment losses and disposals of the year ended September 30, 2019 were related to the impairment of assets in Denmark and the impairment of production tooling in Spain, India and United States.

B. FULLY DEPRECIATED ASSETS

The acquisition cost of fully depreciated fixed assets that are still in use as of September 30, 2020 and 2019 amounts to EUR 775 million and EUR 632 million, respectively. As of September 30, 2020 and 2019, most of these assets correspond to machinery, tools and test equipment.

C. COMMITMENTS FOR THE ACQUISITION OF ASSETS

As of September 30, 2020 and 2019, SIEMENS GAMESA Group companies have "Property, plant and equipment" purchase commitments amounting to EUR 271 million (EUR 59 million as a consequence of the application of IFRS 16) and EUR 64.1 million, approximately, which are mainly related to production facilities for new developments of wind facilities and its components.

D. INSURANCE COVERAGE

SIEMENS GAMESA Group arranges insurance policies to adequately cover its property, plant and equipment. Also, SIEMENS GAMESA Group has entered into insurance policies to cover the wind turbines generators while they are being assembled.

16. Investments accounting for using the equity method

The breakdown of the investments in associates of SIEMENS GAMESA Group as of September 30, 2020 and 2019 is as follows:

Company	Shareholding %	Thousands of euros
		09.30.2020
Windar Renovables, S.L.	32%	66,311
Other	-	42
Total		66,353

Company	Shareholding %	Thousands of euros
		09.30.2019
Windar Renovables, S.L.	32%	65,223
Nuevas Estrategias de Mantenimiento, S.L.	50%	1,692
Other	-	3,961
Total		70,876

The changes recorded in the fiscal years 2020 and 2019 under this heading in the Consolidated Balance Sheet are as follows:

	Thousands of euros
Balance at 10.01.2019	70,876
Change in the method of consolidation (*)	(870)
Profit for the year	(2,509)
Other	(1,144)
Balance at 09.30.2020	66,353

(*) "Change in the method of consolidation" refers to the operation related to the joint venture Nuevas Estrategias de Mantenimiento, S.L. detailed below.

	Thousands of euros
Balance at 10.01.2018	73,036
Profit for the year	(1,479)
Other	(681)
Balance at 09.30.2019	70,876

A. FINANCIAL INFORMATION RELATED TO JOINT VENTURES

On April 27, 2020, the company Nuevas Estrategias de Mantenimiento, S.L., in which SIEMENS GAMESA Group had a 50% stake, has split off its branch of activity related to the energy activity, by means of a block transfer of assets and liabilities associated with said activity to the newly incorporated Siemens Gamesa Renewable Energy Digital Services, SL (Note 2.C). Effective May 1, 2020, SIEMENS GAMESA Group has acquired the remaining 50% of the company Siemens Gamesa Renewable Energy Digital Services, S.L. for a price of EUR 500 thousand and at the same time, has sold its 50% stake in Nuevas Estrategias de Mantenimiento, S.L., for a price of EUR 500 thousand. These transactions have not had a significant impact on the Group's Consolidated Income Statement for fiscal year 2020.

Summarised financial information as of April 30, 2020, that is, before the effective date of the operation previously described, and September 30, 2019 (at 100% and before intercompany eliminations) related to the most significant joint ventures booked using the equity method is as follows:

Nuevas Estrategias de Mantenimiento, S.L.	Thousands of euros	
	04.30.2020	09.30.2019
Total current assets	1,416	3,284
Total non-current assets	1,144	1,653
Total assets	2,560	4,937
Total current liabilities	166	893
Total non-current liabilities	654	660
Total equity	1,740	3,384
Total liabilities and equity	2,560	4,937

During the years ended September 30, 2020 and 2019 no dividends have been received from this company.

B. FINANCIAL INFORMATION RELATED TO ASSOCIATED COMPANIES

Summarised financial information as of September 30, 2020 and 2019 (at 100% and before the intercompany eliminations) related to the most significant associated companies booked using the equity method is as follows:

Windar Renovables, S.L. and subsidiaries	Thousands of euros	
	09.30.2020	09.30.2019
Total current assets	182,873	158,262
Total non-current assets	64,890	69,719
Total assets	247,763	227,981
Total current liabilities	110,837	118,437
Total non-current liabilities	29,200	12,206
Total equity	107,726	97,338
<i>Parent company's total equity</i>	<i>95,041</i>	<i>91,640</i>
<i>Non-controlling interests' total equity</i>	<i>12,685</i>	<i>5,698</i>
Total equity and liabilities	247,763	227,981

Windar Renovables, S.L. and subsidiaries	Thousands of euros	
	09.30.2020	09.30.2019
Profit and Loss information		
Income from ordinary activities	293,744	149,920
Net profit from continued operations	16,742	1,040
<i>Net profit attributable to the parent company</i>	<i>8,401</i>	<i>337</i>
<i>Net profit attributable to non-controlling interests</i>	<i>8,341</i>	<i>703</i>

During the years ended September 30, 2020 and 2019 no dividends have been received from this company.

The book value of the investment in Windar Renovables, S.L. as of September 30, 2020 and 2019 amounts EUR 66 million and EUR 65 million, respectively, and it includes the capital gain which arose at the moment of the acquisition of the investment in the associate (approximately EUR 35 million, representing the difference between the price paid and the share of the entity's book value at the date of the acquisition as of April 3, 2017).

17. Other non-current financial assets

The breakdown of other non-current financial assets of the Consolidated Balance Sheet as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Derivatives (Note 9)	117,670	76,233
Financial assets measured at fair value through Profit and Loss (Note 9)	28,020	28,043
Other concepts in non-current financial assets (Note 9)	88,883	39,186
Total other non-current financial assets	234,573	143,462

A. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

The detail of the most representative financial assets measured at fair value through Profit and Loss as of September 30, 2020 and 2019 is as follows:

Company	09.30.2020		09.30.2019	
	Thousands of euros	% of shareholding	Thousands of euros	% of shareholding
Wendeng Zhangjiachan Wind Power Co., Ltd.	10,229	40%	8,494	40%
Jianping Shiyingsi Wind Power Co., Ltd.	2,987	25%	4,438	25%
Beipiao CGN Changgao Wind Power Co., Ltd.	6,673	25%	6,024	25%
Beipiao Yangshugou Wind Power Co., Ltd.	3,632	25%	2,349	25%
Datang (Jianping) New Energy Co., Ltd.	3,941	25%	2,779	25%
Jinan Wohushan Wind Power Co., Ltd.	-	25%	1,164	25%
Other	558	Several	2,795	Several
Total	28,020		28,043	

As of September 30, 2020 and 2019, SIEMENS GAMESA Group holds investments in various Chinese companies (wind farms) with ownership interests generally ranging from 25% to 40%. Despite holding ownership interests above 20%, SIEMENS GAMESA Group's management considers that there is no significant influence in these companies since there is no power to participate in the decision-making process regarding the financial and operating policies of these companies. In general, SIEMENS GAMESA Group takes part in the capital of these companies with the sole objective of promoting relevant licences for the development of the plants and the construction and sale of wind turbines for those windfarms.

During the year ended September 30, 2020 there has been a dividend income of EUR 780 thousand. During the year ended September 30, 2019 there was a dividend income of EUR 5,384 thousand, as well as the sale of one of the companies, which yielded a positive result EUR 285 thousand.

As of September 30, 2020 and 2019, the financial instruments under this heading are classified in Category 3, and correspond to equity instruments that have been valued using valuation techniques in which one or another significant input is not based on observable market data. The unobservable market inputs used in estimating the fair value of these instruments include financial information, projections or internal reports, combined with other assumptions or available market data which, in general, for each type of risk, are obtained from organized markets, sector reports or data providers, among others. At valuation date, the discount rate interval, understood as the weighted average cost of capital allocated to the business, was 6-7%.

The movement in the balances of the Financial assets measured at fair value through Profit and Loss classified in Category 3 is as follows:

Thousands of euros	
Balance at 10.01.2019	28,043
Currency translation differences	14
Changes in fair value allocated to Profit and Loss	(221)
Additions	3,010
Others	(2,826)
Balance at 09.30.2020	28,020

Thousands of euros	
Balance at 10.01.2018	28,158
Changes in fair value allocated to Profit and Loss	2,799
Additions	2,286
Disposals	(5,200)
Balance at 09.30.2019	28,043

Sensitivity analysis

Sensitivity analysis is performed on assets included in Category 3, i.e. with significant inputs that are not based on observable market variables in order to obtain a reasonable range of possible alternative valuations. Based on asset types, methodology and availability of inputs, the Group reviews bi-annually the evolution of the main assumptions and their possible impact on valuation and performs a complete update of these valuations annually.

As of September 30, 2020 and 2019, the effect on the results of modifying the main assumptions used (discount rate) in the valuation of Category 3 financial instruments by other reasonably possible hypothesis would be as follows:

Thousands of euros	Fair value at 09.30.2020	Potential impact on Profit and Loss	
		Favorable scenario	Non- favorable scenario
Financial assets measured at fair value through Profit and Loss	28,020	1,053	(1,490)
Total	28,020	1,053	(1,490)

Thousands of euros	Fair value at 09.30.2019	Potential impact on Profit and Loss	
		Favorable scenario	Non- favorable scenario
Financial assets measured at fair value through Profit and Loss	28,043	561	(237)
Total	28,043	561	(237)

B. OTHER CONCEPTS IN NON-CURRENT FINANCIAL ASSETS

The amount included in other concepts in non-current financial assets as of September 30, 2020 is mainly related to a deposit in amount of EUR 50 million used as guarantee for the transfer to a third party of the derivatives portfolio held with SIEMENS Group, whose maturity is 5 years (Note 30) and the long-term portion of an indemnification to be received from the former ADWEN shareholder, Areva. After the Settlement Agreement signed on March 17, 2020, this heading includes as of September 30, 2020 a receivable in amount of EUR 27.9 million with Areva (Note 9).

The amount of other concepts in non-current financial assets as of September 30, 2019 was mainly related to the long-term portion of an indemnification to be received from the former ADWEN shareholder, Areva, as mentioned before.

18. Financial debt

A. DEBT WITH FINANCIAL INSTITUTIONS AND OTHER OBLIGATIONS

The debt with financial institutions and other obligations as of September 30, 2020 and 2019 as well as the maturity dates are as follows:

	Book value	Debt at 09.30.2020 maturing at:						Total Non-current
		Current	Non-current					
Thousands of euros	09.30.2020	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Loans from banks and interest-free advances	746,392	5,871	3,442	733,711	1,261	634	1,473	740,521
In euros	746,392	5,871	3,442	733,711	1,261	634	1,473	740,521
Indian Rupee	272,888	272,888	-	-	-	-	-	-
Turkish lira	22,085	22,085	-	-	-	-	-	-
United States dollar	18,206	18,206	-	-	-	-	-	-
In foreign currency (Note 3.C)	313,179	313,179	-	-	-	-	-	-
Total debt with financial institutions and other obligations	1,059,571	319,050	3,442	733,711	1,261	634	1,473	740,521

	Book value	Debt at 09.30.2019 maturing at:						Total Non-current
		Current	Non-current					
Thousands of euros	09.30.2019	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Loans from banks and interest-free advances	542,985	32,170	501,201	3,030	2,138	1,859	2,587	510,815
In euros	542,985	32,170	501,201	3,030	2,138	1,859	2,587	510,815
Indian Rupee	303,957	303,957	-	-	-	-	-	-
Turkish lira	12,397	12,397	-	-	-	-	-	-
Other	5,096	3,685	166	166	166	166	747	1,411
In foreign currency (Note 3.C)	321,450	320,039	166	166	166	166	747	1,411
Total debt with financial institutions and other obligations	864,435	352,209	501,367	3,196	2,304	2,025	3,334	512,226

Syndicated loan and other loans

The debt with financial institutions and other obligations as of September 30, 2020 and 2019 mainly relates to the multi-currency revolving credit facility and the loan signed as of May 30, 2018, amounting both to a total of EUR 2,500 million, replacing the EUR 750 million credit facility from 2017. In December 2019, SIEMENS GAMESA has signed an amendment of that contract, modifying both the maturity and some of the lending banks. The facility includes a fully drawn term loan tranche of EUR 500 million maturing in 2022 (previous maturity in 2021) and a revolving credit line tranche of EUR 2,000 million maturing in 2024 (previous maturity in 2023) with two 1 year extension options. This novation has been considered as a substantial modification of the contract terms, and it has led to the transfer to the Statement of Profit and Loss of accrued borrowing costs pending to be recognized corresponding to the previous syndicated loan in amount of EUR 5.7 million. The syndicated loan interest rate is Euribor plus a market spread.

As of September 30, 2020 and 2019, the EUR 500 million loan tranche is fully drawn. This loan may be used for general corporate purposes and to refinance outstanding debt.

In January 2020, SIEMENS GAMESA has signed two loans amounting in total to EUR 240 million, both with maturity in January 2023, accruing an interest rate of 0.35% for the financing of the Servion business acquisitions (Notes 1.B and 4). As of September 30, 2020 these loans are fully drawn.

Credit facilities

During fiscal year 2020, SIEMENS GAMESA Group has signed new credit lines in Indian rupees for an amount equivalent to EUR 116 million with maturity in March 2021 and EUR 24 million already matured in August 2020 (no new credit lines in Indian rupees were signed during fiscal year 2019). As of September 30, 2020 and 2019, SIEMENS GAMESA Group has drawn amounts from bilateral credit lines in India with annual maturities, for an amount of EUR 273 million and EUR 304 million, respectively, accruing during both years an average interest rate of around 8%.

During fiscal year 2020, SIEMENS GAMESA has signed new bilateral credit lines in euros in total amount of EUR 375 million, of which EUR 50 million mature in December 2020, EUR 275 million mature in 2021 (from January to August) and EUR 50 million mature in July 2022, accruing an average interest rate of 0.82%. In addition, from the bilateral credit lines signed in fiscal year 2019 in amount of EUR 512 million, an amount of EUR 482 million is still outstanding, of which EUR 50 million mature in December 2020, EUR 212 million mature in 2021 (March and April) and EUR 220 million are extendable by tacit agreement until 2022 (from March to July), accruing an average interest rate of 0.75%. As of September 30, 2020, and 2019, the Group has not drawn any amount out of these credit lines.

In addition, during fiscal year 2020, SIEMENS GAMESA Group has signed new credit lines in United States dollars for an amount of EUR 2 million with maturity in 2021 and in South African rand for an amount of EUR 5 million with maturity in 2020. As of September 30, 2020, and 2019, the Group has drawn amounts out of these and other existing credit lines (mainly in Turkey) in amount of EUR 25 million and EUR 18 million, respectively.

Interest-free advances

As of September 30, 2020 and 2019 the heading "Financial debt" (current and non-current) also includes EUR 15 million and EUR 24 million, respectively, of interest-free advances provided to Siemens Gamesa Renewable Energy Innovation & Technology, S.L. U, Gamesa Energy Transmission, S.A.U., Gamesa Electric, S.A.U., Siemens Gamesa Renewable Energy Eólica y Siemens Gamesa Renewable Energy Digital Services, S.L. by the Ministry of Science and Technology and other public agencies for financing R&D projects, which are refundable in 7 or 10 years, after a three-year grace period.

As of September 30, 2020, SIEMENS GAMESA Group companies had been granted loans and had drawn from credit facilities that accounted for 25% of the total financing granted to them maturing between 2020 and 2029 (23% as of September 30, 2019 maturing between 2019 and 2029) and bearing a weighted average interest at Euribor plus a market spread. The weighted average interest rate of the average debt for the year ended September 30, 2020 is approximately 4.45% (2.55% for the year ended September 30, 2019). The increase is mainly due to the higher proportion of the debt in Indian rupees with respect to the rest of currencies. The weighted average interest rate of the outstanding debt as of September 30, 2020 is approximately 4.02% (4.80% as of September 30, 2019).

The fair value, taking into consideration the counterparty credit risk, of bank borrowings as of September 30, 2020 and 2019 is similar to the book value since the debt is either subject to variable interest rates and market spreads, or subject to fixed rates that are at a market level (Note 3.B).

As of September 30, 2020 and 2019, the sensitivity of the market value of bank borrowings in relation to interest rate changes is as follows:

	Interest rate change			
	09.30.2020		09.30.2019	
Thousands of euros	+0.25%	-0.25%	+0.25%	-0.25%
Change in the value of the debt (*)	1,152	(1,152)	3,838	(3,838)

(*) Income and equity increase in negative and expenses and equity decrease in positive.

As of September 30, 2020 and 2019, the sensitivity of the market value of foreign currency bank borrowings in relation to exchange rate and interest rate changes is as follows:

Thousands of euros	09.30.2020				09.30.2019			
	Change in the interest rate		Change in Exchange rate (EUR/foreign currency)		Change in the interest rate		Change in Exchange rate (EUR/foreign currency)	
	+0.25%	-0.25%	+5%	-5%	+0.25%	-0.25%	+5%	-5%
Change in the value of the debt (*)								
Indian Rupee	884	(884)	13,644	(13,644)	574	(574)	15,198	(15,198)
Chinese Yuan	-	-	-	-	50	(50)	-	-
Danish Krone (**)	-	-	-	-	4	(4)	32	(35)
United States Dollar	12	(12)	910	(910)	-	-	-	-
Philippine Peso	-	-	-	-	2	(2)	-	-
Turkish lira	58	(58)	1,104	(1,104)	28	(28)	620	(620)
Egyptian pound	-	-	-	-	2	(2)	71	(71)
South African rand	5	(5)	-	-	1	(1)	109	(109)

(*) Income and equity increase in negative and expenses and equity decrease in positive.

(**) To calculate the sensitivity of the change of the Danish Krone's exchange rate, the fluctuation bend fixed by the European Central Bank and the Danish Bank is used (2.25% over the 7.4604 DKK/EUR fixed rate).

The balance of unmatured receivables assigned to non-recourse factoring transactions as of September 30, 2020, amounts to EUR 466 million (EUR 339 million as of September 30, 2019). The average amount of factored receivables during the year ended September 30, 2020 has been EUR 210 million (EUR 122 million in 2019).

B. LEASE LIABILITIES

The changes in lease liabilities during 2020 are as follows:

Thousands of euros	
Balance at 10.01.2019	-
First application of IFRS 16 (Note 2.D)	583,308
Currency translation differences	(18,877)
New lease contracts (Note 15)	141,187
Business combinations (Notes 4 and 15)	13,588
Cancellation of contracts (Note 15)	(7,301)
Financial update	5,529
Payments made of principal	(102,343)
Interest paid	(6,423)
Other	2,169
Balance at 09.30.2020	610,837

The breakdown by maturity of undiscounted lease liabilities as of September 30, 2020 is as follows:

Thousands of euros	
2021	116,185
2022-2025	277,969
From 2026 onwards	321,263
Total	715,417
Financial cost	104,580
Present value of the payments	610,837
<i>Therein current (Note 9.B)</i>	115,263
<i>Therein non-current (Note 9.B)</i>	495,574
Total	715,417

The summary of the impact that the application of IFRS 16 has had on the Consolidated Statement of Profit and Loss for the year ended September 30, 2020, is as follows:

Thousands of euros	09.30.2020
Increase in "Interest expenses" (Note 29.G)	6,423
Increase in amortization, depreciation and provisions (Note 15)	113,889
Total	120,312

The reduction in the expenditure recorded during fiscal year 2020 under the heading by nature of other operating expenses, detailed in the following table, is mainly explained by the increase in interest expenses and in amortization, depreciation and provisions regarding the application of IFRS 16 and detailed above:

Thousands of euros	09.30.2020 (*)	09.30.2019 (*)
External services (Note 29.D)	1,018,478	1,117,443
Rents and royalties	186,483	280,852

(*) Amounts for the year ended September 30, 2020 and September 30, 2019 (Note 29.D).

During 2020, SIEMENS GAMESA Group has not accrued any amount for variable leases.

Expenses in 2020 related to short-term leases excluded from the scope of IFRS 16 amounts to EUR 186 million and have been recognized in rent and royalties under the heading "Other operating expenses" of the Consolidated Statement of Profit and Loss by nature.

SIEMENS GAMESA Group has not subleased rights of use of assets for a significant amount in 2020.

On the other hand, the breakdown by maturities of future minimum lease payments for operating leases under IAS 17 as of September 30, 2019 was as follows:

Thousands of euros	Operating leases
2020	132,897
2021-2024	251,683
From 2025 onwards	402,395
Total	786,975

The previous amount for the minimum payments for operating leases under IAS 17 differs from the effect of the first-time application of IFRS 16 "Leases" as indicated in Note 2.D.

In order to provide information about the historical cash and cash equivalents' flows according to IAS 7, changes in liabilities arising from financing activities are as follows:

Thousands of euros	Balance at 30.09.2019	Transition to IFRS 16 (Note 2.D)	Business combinations (Notes 1.B and 4)	Cash flows	Currency translation differences	Operating leases	
						Other	Balance at 09.30.2020
Current and non-current loans and credits	862,945	-	-	249,223	(52,597)	-	1,059,571
Current and non-current obligations arising from finance leases and purchase contracts	1,490	-	-	-	-	(1,490)	-
Current and non-current leases	-	583,308	13,588	(102,343)	(18,877)	135,161	610,837
Total of activities arising from financing activities	864,435	583,308	13,588	146,880	(71,474)	133,671	1,670,408

Thousands of euros	Balance at 09.30.2018	Business combinations	Cash flows	Currency translation differences	Other	Balance at 09.30.2019
Current and non-current loans and credits	1,805,591	-	(958,692)	16,046	-	862,945
Current and non-current obligations arising from finance leases and purchase contracts	8,195	-	(6,705)	-	-	1,490
Total of activities arising from financing activities	1,813,786	-	(965,397)	16,046	-	864,435

19. Provisions

The breakdown of current and non-current provisions as of September 30, 2020 and 2019 is as follows:

Thousands of euros	Balance at 10.01.2019	Business combinations (Notes 1.B and 4)	Charges Reversals	Provisions applied	Currency translation differences	Financial effect	Other changes	Balance at 09.30.2020	Thereof non-current
Warranties	1,952,498	94,416	253,343	(446,164)	(19,535)	1,170	631	1,836,359	1,258,943
Order related losses and risks	156,560	9,679	73,959	(21,500)	(7,768)	-	850	211,780	128,641
Others	52,924	32,519	41,144	(22,197)	(5,487)	-	(1,822)	97,081	34,487
Total	2,161,982	136,614	368,446	(489,861)	(32,790)	1,170	(341)	2,145,220	1,422,071

Thousands of euros	Balance at 10.01.2018	Business combinations	Charges Reversals	Provisions applied	Currency translation differences	Financial effect	Other changes	Balance at 09.30.2019	Thereof non-current
Warranties	2,024,604	-	146,709	(451,305)	15,646	27,627	189,217	1,952,498	1,266,681
Order related losses and risks	346,584	-	55,272	(61,756)	1,982	-	(185,522)	156,560	113,102
Others	61,442	-	6,995	(11,633)	537	-	(4,417)	52,924	20,469
Total	2,432,630	-	208,976	(524,694)	18,165	27,627	(722)	2,161,982	1,400,252

Provisions are recognized whenever SIEMENS GAMESA Group has a present legal or constructive obligation as a result of past events, which will lead to a probable future outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. Provisions are recognized at the present value of the expenditure required to settle the present obligation. The majority of the provisions of the Group are generally expected to result in cash outflows during the next 1 to 10 years, but exceptional technical issues could reach beyond that time frame.

Warranties

Warranty provisions are related to repair and replacement costs resulting from component defects or functional errors, which are covered by SIEMENS GAMESA Group during the warranty period. In addition to this, non-recurring provisions are recorded derived from various factors, such as customer claims and quality issues that, in general, relate to situations in which the expected failure rates are above normal levels.

The change in these provisions during 2020 and 2019 is fundamentally due to the changes in the normal course of the business, the result of recurring re-estimation of warranty provisions (updating failure rates, expected costs and customer claims, among others), as well as the application of the provisions to its intended purpose.

During the fourth quarter of 2020, SIEMENS GAMESA Group has recognized approximately EUR 20 million and EUR 11 million under the headlines warranties and order related losses and risk and others respectively, associated with preventive and corrective actions in the SG 4.X gearbox.

Order related losses and risks and others

SIEMENS GAMESA Group recognizes provisions for order related losses and risks when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. In this regard, in relation to loss incurring contracts, the amount as of September 30, 2020 includes, fundamentally the expected losses of certain onshore wind farm construction projects in Norway and Sweden amounting to EUR 9 million, in which unforeseen additional costs caused by the delay in the execution of the projects as a result of both roads and adverse weather conditions resulting from an early arrival of winter, as well as EUR 96 million (EUR 91 million as September 30, 2019) expected losses of onerous contracts signed in previous years by a SIEMENS GAMESA Group subsidiary (ADWEN) for the construction and subsequent maintenance of an offshore wind farm in northern Europe.

Others

Other provisions include, among others, provisions for legal proceedings or personnel-related provisions. The Group's legal advisors and the Company consider that the provisions recognized for this purpose are sufficient and that the outcome of these proceedings and claims will not have a material effect on the Consolidated Financial Statements for the years in which they would be settled

Contingent liabilities

General Electric

SIEMENS GAMESA Group is party to a number of license agreements, which afford SIEMENS GAMESA Group intellectual property rights (in particular, patents, trademarks and design rights). In a few individual cases, there have been disputes or disagreements resulting from the interpretation regarding the execution of the existing agreements or from the interpretation of the scope of use rights granted by third parties (including competitors) to SIEMENS GAMESA Group regarding their respective IP rights, or with respect to alleged IP infringements. While some of those disputes in the past years have been finally solved by court in favour of SIEMENS GAMESA Group, others are still awaiting a final resolution, or have not reached a court stage and still remain to be solved between the respective parties. On July 31, 2020, General Electric Company (hereinafter, "GE") filed intellectual property related lawsuits against SIEMENS GAMESA entities with the District Court (*Landgericht*) in Düsseldorf, Germany, and before the United States International Trade Commission (hereinafter, "ITC") asserting a violation of two patents with regard to certain variable speed wind turbine generators and components. The German lawsuit seeks an injunction against SIEMENS GAMESA Group, mainly in relation to the manufacturing, offering and marketing of the relevant wind turbine generators and components in Germany, and financial compensation for any (alleged)

infringing action performed after July 15, 2020. The United States. ITC complaint seeks an exclusion order against SIEMENS GAMESA Group's importation of certain wind turbine equipment into the United States. SIEMENS GAMESA Group will be defending against GE's claims and the Group is confident that features and functionalities marketed by SIEMENS GAMESA Group do not infringe any valid third parties' intellectual property rights. In addition, SIEMENS GAMESA Group has filed an opposition with the European Patent Office in Munich, Germany, against the European patent which is the basis of the German lawsuit; a decision on the appeal is still pending. Consequently, SIEMENS GAMESA Group has made no provision to cover the complaint. The Management believes that it can successfully defend its legal position. However, in the unlikely event that SIEMENS GAMESA Group is not successful in its defence in this case, and GE prevails, this case could potentially have significant financial impact on SIEMENS GAMESA Group.

Compliance

SIEMENS GAMESA Group is currently investigating a number of possible compliance violations mainly relating to its Indian subsidiary. To date, only violations of internal policies, procedures and internal controls have been identified, and it is not yet clear whether there have been any further, legally more severe, compliance violations and the extent of these potential violations. Therefore, at the actual stage of these investigations it is too early to predict the final outcome, and the quantification of its potential impacts.

20. Other current assets and liabilities

The detail of other current assets and liabilities as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Other current tax assets		
Other tax receivables	329,048	408,469
Non-tax related current assets		
Prepaid expenses	44,347	38,908
Other current assets	24,713	13,888
Total	398,108	461,265
Thousands of euros	09.30.2020	09.30.2019
Other current tax liabilities		
Other tax liabilities	111,079	149,293
Non-tax related current liabilities		
Deferred income	36,590	26,795
Current liabilities with personnel	338,341	287,899
Other current liabilities	275,079	333,576
Total	761,089	797,563

21. Post-employment benefits

The Group provides post-employment defined benefit plans or defined contribution plans to certain Group employees.

The amount recognized as expense for defined contribution plans amounts to EUR 55 million in fiscal year 2020 (EUR 53 million in fiscal year 2019).

The Group provides post-employment defined benefit plans to almost all of the Group's employees in Germany. Outside Germany predominantly service gratuities and severance indemnities from legislative requirements or industry arrangements are provided by a limited number of entities in several jurisdictions, mainly in India.

The Group's major plans are funded with assets in separate legal entities. In accordance with local laws these plans are managed in the interest of the beneficiaries by way of contractual trust agreements with each separate legal entity.

The defined benefit plans cover about 6,300 participants. The vast majority of them are active employees.

In Germany, the Group provides pension benefits through the plan "Siemens Gamesa Renewable Energy BSAV" (*Beitragsorientierte Siemens Altersversorgung*), frozen legacy plans and deferred compensation plans. The majority of the Group's active employees in Germany participate in the "Siemens Gamesa Renewable Energy BSAV". Those benefits are predominantly based on contributions made by the Group and returns earned on such contributions, subject to a minimum return guaranteed by the Group. The frozen plans expose the employer to investment risk, interest rate risk and longevity risk. The effects of compensation increases are substantially eliminated. No legal or regulatory minimum funding requirements apply. Instead, the pension plans are funded via contractual trust arrangements (CTA).

A. DEVELOPMENT OF THE DEFINED BENEFIT PLANS

Thousands of euros	Defined benefit obligation (DBO) (I)		Fair value of plan assets (II)		Net defined benefit liability (I)-(II)	
	Fiscal year		Fiscal year		Fiscal year	
	2020	2019	2020	2019	2020	2019
Balance at the begin of fiscal year	54,238	41,383	39,415	28,748	14,823	12,635
Current service cost	7,107	5,650	-	-	7,107	5,650
Interest expense	929	820	-	-	929	820
Interest income	-	-	563	612	(563)	(612)
Past service cost	203	1,310	-	-	203	1,310
Components of defined benefit recognized in the Consolidated Statement of Profit and Loss	8,239	7,780	563	612	7,676	7,168
Return on plan assets excluding amounts included in net interest income and net interest expenses	-	-	(192)	562	192	(562)
Actuarial (gains) losses	3,981	325	-	-	3,981	325
Remeasurements recognized in the Consolidated Statement of Other Comprehensive Income	3,981	325	(192)	562	4,173	(237)
Employer contributions	-	-	6,069	4,374	(6,069)	(4,374)
Benefits paid	(733)	(40)	(662)	-	(71)	(40)
Plan participants' contributions	410	349	410	349	-	-
Currency translation differences	(588)	82	-	-	(588)	82
Other changes	(149)	4,359	(67)	4,770	(82)	(411)
	(1,060)	4,750	5,750	9,493	(6,810)	(4,743)
Balance at fiscal year end	65,398	54,238	45,536	39,415	19,862	14,823
thereof:						
Germany	50,174	44,518	37,699	33,299	12,475	11,219
India	9,640	6,832	5,904	4,777	3,736	2,055
Other	5,584	2,888	1,933	1,339	3,651	1,549

The net interest expenses related to provisions for pensions and similar obligations amount to EUR 366 thousand in the fiscal year ended September 30, 2020 (EUR 208 thousand in the fiscal year ended September 30, 2019).

The remeasurement comprises actuarial (gains) and losses resulting from:

Thousands of euros	2020	2019
Changes in demographic assumptions	2,557	(262)
Changes in financial assumptions	(901)	1,662
Experience (gains) losses	2,325	(1,075)
Total	3,981	325

B. ACTUARIAL ASSUMPTIONS

The single discount rate used for the actuarial valuation of the DBO of the German plans is 1.26% according to the Mercer Yield Curve approach for discount rates (weighted average discount rate of 1.00% in fiscal year 2019 according to the Mercer Yield Curve approach for discount rates).

Starting September 30, 2020, the mortality tables used in Germany are the "Heubeck-Richttafeln 2018 G" tables, which led to an increasing effect of EUR 2,501 thousand. At September 30, 2019, SIEMENS specific tables (Siemens Bio 2017) had been applied that were mainly derived from data of the German SIEMENS population and to a lesser extent from data of the Federal Statistical Office in Germany by applying formulas in accordance with recognized actuarial standards. The pension progression rate in Germany is 1.50% or a fixed 1.00% indexation rate depending on the plan (unchanged from the previous year).

C. SENSITIVITY ANALYSIS

A one-half-percentage-point change of the above assumptions would result in the following increase (decrease) of the German DBO:

Thousands of euros	Effect on DBO (Germany) due to one-half percentage-point			
	Increase	Decrease	Increase	Decrease
	2020	2020	2019	2019
Discount rate	(2,522)	2,944	(2,230)	3,175
Rate of pension progressions	678	(611)	699	(630)

The (German) DBO effect of a 10% reduction in mortality rates for all beneficiaries would be an increase of EUR 467 thousand in fiscal year 2020 (EUR 561 thousand in fiscal year 2019).

During the periods presented, sensitivity determinations apply the same methodology as applied for the determination of the post-employment benefit obligation. Sensitivities reflect changes in the DBO solely for the assumption changed.

D. DISAGGREGATION OF PLAN ASSETS

Thousands of euros	Plan assets	
	2020	2019
Equity securities	4,783	5,126
Fixed income securities	8,871	9,891
<i>Thereof:</i>		
Government bonds	2,162	2,552
Corporate bonds	5,971	7,339
Other bonds	738	
Alternative investments	799	828
Multi-strategy funds	15,600	17,453
Cash and cash equivalents	8,341	9
Derivatives	43	-
Other assets (incl. insurance contracts)	7,099	6,108
Total	45,536	39,415

Virtually all equity securities had quoted prices in active markets. The fair value of fixed income securities has been based on prices provided by price service agencies. The fixed income securities are traded in active markets and the majority of the fixed income securities are investment grade. Alternative investments mostly included real estate investments. Multi strategy funds mainly comprised absolute return funds and diversified growth funds that invest in various asset classes within a single fund and aim to stabilize return and reduce volatility.

E. FUTURE CASH FLOWS

Employer contributions expected to be paid to the German defined benefit plans in fiscal year 2021 amount to approximately EUR 4.9 million. Over the next 10 fiscal years, global average annual benefit payments of approximately EUR 2.7 million are expected as of September 30, 2020 (EUR 1.0 million as of September 30, 2019), thereof EUR 1.4 million on average in Germany. The weighted average duration of the German DBO is 11.0 years as of September 30, 2020 (12.2 years as of September 30, 2019).

22. Other non-current liabilities

The breakdown of other non-current liabilities of the accompanying Consolidated Balance Sheet is as follows:

Thousands of euros	09.30.2020	09.30.2019
Long-Term accruals	11,399	13,859
Deferred income	9,366	11,043
Other non-current liabilities	8,010	6,066
Total	28,775	30,968

Within the heading of "Long-Term accruals" are mainly the obligations that the Group has with employees after the termination of their employment relationship, such as early retirement benefits or any other benefit of a similar nature.

Within the heading "Deferred income" the most significant amount corresponds to government grants that the Group has received for the construction of production plants.

The heading "Other non-current liabilities" is composed of small amounts that individually considered are not material for their disclosure, and are related, among other items, to long term payables for fixed asset purchases.

23. Equity of the parent company

A. ISSUED CAPITAL

SIEMENS GAMESA Group's issued capital as of September 30, 2020 and 2019 amounts to EUR 115,794 thousand being composed of 681,143,382 ordinary shares of EUR 0.17 of nominal value each, represented by means of annotations into account, fully subscribed and disbursed.

According to information of the Company, the shareholder structure of SIEMENS GAMESA as of September 30, 2020 and 2019 is as follows:

	09.30.2020
Shareholders	% shareholding
SIEMENS ENERGY AG (*) (Note 1.D)	67.071%
Other (**)	32.929%
Total	100.000%

(*) 67.071% through Siemens Energy Global GmbH & Co. KG (formerly named Siemens Gas & Power GmbH & Co. KG).

(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as significant shareholders according to the article 32 of the Royal Decree 1362/2007 of October 19 on shareholders required to notify their stake due to the residence in a tax haven or in a country of 0 taxation or with no effective exchange of tax information.

	09.30.2019
Shareholders	% shareholding
SIEMENS (*)	59.000%
Iberdrola, S.A.	8.071%
Other (**)	32.929%
Total	100.000%

(*) 28.877% through Siemens Beteiligungen Inland GmbH.

(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as significant shareholders according to the article 32 of the Royal Decree 1362/2007 of October 19 on shareholders required to notify their stake due to the residence in a tax haven or in a country of 0 taxation or with no effective exchange of tax information.

SIEMENS GAMESA's shares are listed in the IBEX 35 through the Automated Quotation System (*Mercado Continuo*) at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

The main objectives of SIEMENS GAMESA Group share capital management are to ensure short and long term financial stability, the positive market performance of the shares of SIEMENS GAMESA, the adequate financing of its investments and maintaining levels of the Group's external financing in line with the development of the business, so to ensure that SIEMENS GAMESA Group maintains its financial strengths and the soundness of its financial ratios, supporting its business and maximizing its value for the shareholders.

The ratios of debt (net of cash) to equity attributable to the parent company that are reflected throughout this note are as follows:

Thousands of euros	09.30.2020	09.30.2019
Current liabilities	434,313	352,209
Debt with financial institutions and other obligations (Notes 9 and 18)	319,050	352,209
Lease liabilities (Notes 9 and 18)	115,263	-
Non-current liabilities	1,236,095	512,226
Debt with financial institutions and other obligations (Notes 9 and 18)	740,521	512,226
Lease liabilities (Notes 9 and 18)	495,574	-
Total financial debt	1,670,408	864,435
Cash and other cash equivalents (Note 7)	(1,621,793)	(1,727,457)
Financial debt net of cash	48,615	(863,022)
Total equity of the parent company	4,934,094	6,270,104
Proportion of Financial debt (net of cash) and Equity attributable to the parent company	0.99%	(13.76)%

For comparative purposes, if IFRS 16 Leases had not been applied in 2020, the proportion of financial debt (net of cash) and equity attributable to the parent company would have been -11.40% (assuming the same amount for the number of "Total equity").

The rating agencies gave the following credit rating to SIEMENS GAMESA Group:

Issuer rating of SIEMENS GAMESA ^(*)			
Agency	Rating	Outlook	Date
Standard & Poor's	BBB	Stable	September 28, 2020
Moody's	Baa3	Negative	September 28, 2020
Fitch	BBB	Negative	May 12, 2020

(*) Long-term: the above ratings may be revised, suspended or withdrawn by the rating agency at any time.

B. CAPITAL RESERVE

The Spanish Companies Act expressly allows the use of the capital reserve to increase issued capital and there are no specific restrictions for the availability of that amount.

C. UNREALISED ASSET AND LIABILITY REVALUATION RESERVE

The changes in this reserve in the years 2020 and 2019 are as follows:

Thousands of euros	10.01.2019	Change in fair value and/or other movements	Allocated Profit and Loss (Note 10)	09.30.2020
Cash-flow hedges				
Interest rate swaps	-	(533)	108	(425)
Securities of electricity price hedge	(921)	978	(239)	(182)
Currency forwards	(6,385)	(1,116)	(44)	(7,545)
	(7,306)	(671)	(175)	(8,152)
Deferred taxes due to the remeasurement of unrealised assets and liabilities	2,786	(4,238)	859	(593)
Total	(4,520)	(4,909)	684	(8,745)

Thousands of euros	10.01.2018	Change in fair value and/or other movements	Allocated Profit and Loss (Note 10)	09.30.2019
Cash-flow hedges				
Interest rate swaps	-	-	-	-
Securities of electricity price hedge	(1,693)	302	470	(921)
Currency forwards	53,185	(67,310)	7,740	(6,385)
	51,492	(67,008)	8,210	(7,306)
Deferred taxes due to the remeasurement of unrealised assets and liabilities	(11,417)	16,672	(2,469)	2,786
Total	40,075	(50,336)	5,741	(4,520)

D. LEGAL RESERVE

Under the Spanish Companies Act, the parent company must transfer each year 10% of net profit to the Legal Reserve until the balance of this reserve reaches at least 20% of the "Issued capital".

The Legal Reserve can be used to increase capital, as long as the remaining reserve balance does not fall below 10% of the increased "Issued capital" amount. Except for the aforementioned purpose, and as long as the legal reserve does not exceed 20% of the "Issued capital", this reserve can only be used to offset losses, provided that there are no other reserves available for that purpose.

As of September 30, 2020 and 2019 this reserve is not fully set up.

E. TREASURY SHARES, AT COST

The change in the heading "Treasury shares, at cost" within "Total equity" as a consequence of the transactions during the year ended September 30, 2020 and 2019, is as follows:

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2019	1,635,425	(21,616)	13.217
Acquisitions	6,029,563	(82,232)	13.638
Disposals	(6,039,119)	79,919	13.234
Balance at 09.30.2020	1,625,869	(23,929)	14.718

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2018	1,698,730	(20,343)	11.975
Acquisitions	18,136,391	(235,668)	12.994
Disposals	(18,199,696)	234,395	12.879
Balance at 09.30.2019	1,635,425	(21,616)	13.217

The nominal value of the treasury shares acquired directly or indirectly by SIEMENS GAMESA, together with those already held by SIEMENS GAMESA Group does not exceed 10% of the Issued capital for the years ended September 30, 2020 and 2019.

On July 10, 2017, SIEMENS GAMESA entered into a liquidity contract with Santander Investment Bolsa, which was communicated to the *CNMV* through a notice of a Significant Event on the same date. As of January 31, 2020, this contract has been terminated, as communicated to *CNMV* through a notice of Significant Event, since its objectives of fostering the liquidity of the shares and favouring the consistency of the share quotation have been successfully achieved. Under this contract, during the period between October 1, 2019 and January 31, 2020, SIEMENS GAMESA has acquired 6,029,563 own shares at the average price of EUR 13.64 per share, and has sold 6,039,119 own shares at an average price of EUR 13.23 per share, and during the period between October 1, 2018 and September 30, 2019 SIEMENS GAMESA acquired 18,136,391 own shares at the average price of EUR 12.99 per share, and sold 18,199,696 own shares at an average price of EUR 12.88 per share.

The difference between the cost and sales price, has led to an increase of EUR 129 thousand as of September 30, 2020 (an increase of EUR 811 thousand as of September 30, 2019), recognized in "Total equity".

F. LONG-TERM INCENTIVE

The General Shareholders' Meeting held on March 23, 2018 approved a Long-Term Incentive Plan for the period between 2018 and 2020, which includes the delivery of shares of the Company linked to the achievement of certain strategic objectives after measurement periods of 3 years. This Long-Term Incentive Plan is addressed to the Chief Executive Officer, Top Management, certain Managers and employees of SIEMENS GAMESA and, where appropriate, of subsidiaries of SIEMENS GAMESA Group.

The Plan has a duration of 5 years divided into three independent cycles with a measurement period of 3 years each.

The settlement period of the Plan will fall within fiscal years 2021, 2022 and 2023. The shares will be delivered, as appropriate, within sixty (60) calendar days from the date on which the Company's Board of Directors issues the Financial Statements for the relevant period, in order to determine the degree of achievement of the objectives for each cycle ("Delivery Date"). The Plan will end on the Delivery Date for cycle FY2020 (i.e. following the preparation of the 2022 Financial Statements).

The Plan is addressed to a maximum of 300 beneficiaries, and the designation of an individual as a beneficiary of a Plan cycle will not necessarily entitle the participation in other Plan cycles.

The Plan could not exceed, as a maximum, the delivery of a total of 5,600,000 shares, which represents a 0.82% of SIEMENS GAMESA's capital and was calculated considering the potential inclusion of additional beneficiaries. The Company will allocate shares of treasury stock to cover the Plan or otherwise meet the commitments derived from the Plan with a financial instrument that provides adequate coverage. As a result of the amendments to the

Plan for the second and third cycles, the total number of shares allocated to the Plan has increased to the limit of 7,560,000 shares, which represent 1.1% of the share capital of SIEMENS GAMESA.

For all 3 cycles, the delivery of shares is subject to both the fulfilment of a service condition as well as the fulfilment of several performance vesting conditions. In particular, such performance vesting conditions include both market-related conditions and non-market conditions.

First cycle of the Plan

With respect to the first cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date of the Plan, which resulted in a debit amounting EUR 0.9 million in the heading staff costs in the Consolidated Statement of Profit and Loss by nature for the year ended September 30, 2020 (EUR 4.2 million for the year ended 30, 2019), crediting the heading "Other reserves" under Equity in the accompanying Consolidated Balance Sheet as of September 30, 2020 and 2019, respectively.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is -0.05%.
- The share price volatility is 43.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the first cycle: 55% (78% for fiscal year 2019).

Initially, the number of employees entitled to the Plan's first cycle was 174.

Second cycle of the Plan

In the General Shareholders' Meeting held on March 27, 2019, the modification of the Long-Term Incentive for the FY2019 and FY2020 cycles was approved.

The objective of this modification was to improve and to better align the Plan with the Group's strategic priorities, like the L3AD2020 program. Finally, these improvements will eliminate the redundancies with the Short-Term Incentive System and will enforce the ownership culture among the Group.

With respect to the second cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date of the Plan, which resulted in a debit amounting EUR 4.4 million in the heading staff costs in the Consolidated Statement of Profit and Loss by nature for the year ended September 30, 2020 (EUR 2.5 million for the year ended September 30, 2019), crediting the heading "Other reserves" under "Total equity" in the accompanying Consolidated Balance Sheet as of September 30, 2020 and 2019.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is 0.18%.
- The share price volatility is 42.98% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the second cycle: 100% (100% for the year 2019).

Initially, the number of employees entitled to the Plan's second cycle was 191.

Third cycle of the Plan

With respect to the third cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date of the Plan, which resulted in a debit amounting EUR 3.1 million in the heading staff costs in the Consolidated Statement of Profit and Loss by nature for the year ended September 30, 2020 (the accounting for the cost of this Plan has begun in the second quarter of fiscal year 2020 so, no amount was recognized in the Consolidated Statement of Profit and Loss for the year ended September 30, 2019).

To measure the fair value at grant date, SIEMENS GAMESA Group has used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement have been as follows:

- The risk-free rate is -0.27%.
- The share price volatility is 42.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the third cycle: 100%.

Initially, the number of employees entitled to the Plan's third cycle has been 183.

G. DIVIDENDS

The General Shareholders' Meeting of SIEMENS GAMESA held on July 22, 2020 has approved a dividend amounting to EUR 35.2 million, charged to the results of the year ended September 30, 2019. This dividend has been paid on July 30, 2020.

The General Shareholders' Meeting of SIEMENS GAMESA held on March 27, 2019 approved a dividend amounting to EUR 17.5 million, charged to the results of the year ended September 30, 2018. This dividend was paid on April 4, 2019.

H. CURRENCY TRANSLATION DIFFERENCES

The breakdown of the currency translation differences presented by main currencies, is as follows:

Thousands of euros	09.30.2020	09.30.2019
Indian rupee	473,827	260,663
United States dollar	110,783	53,670
Brazilian real	92,912	59,654
Mexican peso	75,501	28,519
Chinese yuan	71,614	49,466
Other currencies	23,686	12,289
Total currency translation differences	848,323	464,261

24. Non-controlling interests

The development of the non-controlling interests from non-wholly owned subsidiaries in the fiscal years 2020 and 2019 is as follows:

Thousands of euros	
Balance at 10.01.2019	2,701
Profit for the year	(781)
Other movements	(1,152)
Balance at 09.30.2020	768

Thousands of euros	
Balance at 10.01.2018	2,226
Profit for the year	936
Other movements	(461)
Balance at 09.30.2019	2,701

These non-controlling interests are not material in relation to the assets, liabilities, profit and cash-flows of the Consolidated Financial Statements of SIEMENS GAMESA Group as of September 30, 2020 and 2019.

25. Financial reporting by segment

The reportable segments of SIEMENS GAMESA Group are adapted to the operating principles of the business units and to the financial and management information used by the Board of Directors of the Group, being the following in 2020 and 2019:

- Wind Turbines (*)
- Operation and Maintenance

(*) Wind Turbines segment includes the manufacturing of wind turbine generators and the development, construction and sale of wind farms (onshore and offshore).

The segments are Wind Turbines and Operation and Maintenance, since SIEMENS GAMESA Group is organisationally structured in this manner, and the internal information generated for the Board of Directors is also presented in this way.

A. INFORMATION BY SEGMENT

Revenue

The breakdown, by segment, of the "Revenue" for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Wind Turbines	7,714,823	8,733,498
Onshore	4,907,043	5,225,124
Offshore	2,807,780	3,508,374
Operation and Maintenance	1,768,386	1,493,381
Revenue	9,483,209	10,226,879

The performance obligations related to Wind Turbines and Operation and Maintenance are generally satisfied over time.

Net Income

The breakdown, by segment, of the contribution to the net income after tax for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Continuing Operations		
Wind Turbines	(1,242,330)	(22,434)
Operation and Maintenance	284,754	275,096
Total results of operations by segment	(957,576)	252,662
Unassigned results (*)	(60,356)	(63,170)
Income tax expenses	99,754	(49,490)
Net income attributable to the parent company	(918,178)	140,002

(*) This item includes financial results, results attributable to non-controlling interests and income (loss) from investments accounted for using the equity method.

Structure costs, which support both segments and whose amount is subject to allocation among both segments, are allocated to each segment according to the contribution of each segment to the Group's consolidated turnover.

Financial expenses and income, the results attributable to non-controlling interests and the results from investments accounted for using the equity method and income tax expense have not been assigned to the operating segments because those concepts are jointly managed by the Group.

B. GEOGRAPHICAL INFORMATION

SIEMENS GAMESA Group currently operates in several geographical markets. The main areas are EMEA (including Spain), AMERICA and APAC. The main countries included in each of those areas are the following:

- EMEA: UK, Germany and Denmark
- AMERICA: United States, Brazil and Mexico
- APAC: Taiwan, India and China

In this sense, the most significant figures detailed by geographical area are the following:

Revenue

The breakdown, by geographical area, of the "Revenue" for the years ended September 30, 2020 and 2019 is as follows:

Geographical area	09.30.2020		09.30.2019	
	Thousands of euros	%	Thousands of euros	%
Spain	617,459	6.5%	999,588	9.7%
EMEA	4,579,667	48.3%	5,653,797	55.3%
AMERICA	2,659,067	28.0%	2,030,644	19.9%
APAC	1,627,016	17.2%	1,542,850	15.1%
Total	9,483,209	100%	10,226,879	100%

In fiscal year 2020, the foreign country where the "Revenue" is more than 10% of the total heading is the United States with an amount of EUR 1,907,239 thousand. In fiscal year 2019, they were the United States with a "Revenue" amount of EUR 1,514,168 thousand, United Kingdom EUR 1,497,027 thousand, Denmark EUR 1,115,637 thousand and Germany EUR 1,037,575 thousand.

The Group's main clients are large utility groups such as the Iberdrola Group, Enel and Oersted, although as a general rule none of them individually considered does exceed 10% of the Group's revenue.

Total "Goodwill", "Other intangible assets" and "Property, plant and equipment"

The breakdown by geographic area of total non-current assets excluding financial instruments (that is, the items in the Consolidated Balance Sheet "Investments accounted for using the equity method" and "Other financial assets"), "Other assets" and the "Deferred tax assets" as of September 30, 2020 and 2019 is as follows:

Geographical area	09.30.2020		09.30.2019	
	Thousands of euros	%	Thousands of euros	%
Spain	2,576,084	30.1%	2,712,472	33.5%
EMEA	2,245,237	26.2%	1,178,370	14.6%
AMERICA	1,139,048	13.3%	1,261,986	15.6%
APAC	2,608,402	30.4%	2,932,956	36.3%
Total	8,568,771	100%	8,085,784	100%

(*) The detailed amounts refer to the headings "Goodwill", "Other intangible assets" and "Property, plant and equipment" of the Consolidated Balance Sheet.

As of September 30, 2020, foreign countries in which the total non-current assets excluding financial instruments, "Other assets" and "Deferred tax assets" exceed 10% of the total non-current assets detailed in the table above are India with an amount of EUR 1,730,517 thousand, Denmark with an amount of EUR 979,917 thousand and the United States with an amount of EUR 866,708 thousand. As of September 30, 2019, they were India with an amount of EUR 2,090,070 thousand, the United States with an amount of EUR 946,475 thousand and China with an amount of EUR 840,387 thousand.

Investment in assets

The breakdown, by geographical area, of the investments in "Other intangible assets" (Note 14) and "Property, plant and equipment" (Note 15), without considering leases or assets derived from the business combinations (Notes 1.B and 4), for the years ended September 30, 2020 and 2019 is as follows:

Geographical area	09.30.2020		09.30.2019	
	Thousands of euros	%	Thousands of euros	%
Spain	115,254	19.2%	86,869	17.5%
EMEA	369,202	61.4%	303,542	61.0%
AMERICA	51,705	8.6%	43,055	8.6%
APAC	65,124	10.8%	64,300	12.9%
Total	601,285	100%	497,766	100%

26. Income tax

Since 2002 SIEMENS GAMESA and some of its subsidiaries located in the Basque Country, subject to *Bizkaia*'s corporate tax regulations, are taxed under the Special Consolidated Tax Regime, being SIEMENS GAMESA the parent company of this Tax Group. This regime is now regulated under the chapter VI of the title VI of the *Norma Foral 11/2013* (Local Income Tax regulation), of December 5, of the *Bizkaia* Historical Territory.

Moreover, since 2009, SIEMENS GAMESA and its subsidiaries which meet the requirements are subject to the application of the Special Regime of Value Added Tax for Group Entities included in chapter IX of Title IX of the *Norma Foral 7/1994* of November 9 of *Bizkaia* which regulates this tax at its basic level, being SIEMENS GAMESA the parent company of the Tax Group.

The companies that integrate the Consolidated Tax Group under the Regional Regulations of Bizkaia for the purposes of Income tax for the fiscal year 2020 are the following:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Sistemas Energéticos Sierra de Valdefuentes, S.L.U.
Siemens Gamesa Renewable Energy Europa, S.L.U.	Sistemas Energéticos Fonseca, S.A.U.
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Sistemas Energéticos Balazote, S.A.U.
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	Adwen Offshore, S.L.U.
Siemens Gamesa Renewable Energy Invest, S.A.U.	Sistemas Energéticos Argañoso, S.L.U.
Sistemas Energéticos Tablero Tabordo, S.L.U.	Sistemas Energéticos Carril, S.L.U.
Sistemas Energéticos Tarifa, S.L.U.	Sistemas Energéticos Loma del Reposo, S.L.U.
Parque Eólico Dos Picos, S.L.U.	Sistemas Energéticos Cabezo Negro, S.A.U.
Sistemas Energéticos Sierra de Las Estancias, S.A.U.	International Windfarm Developments IX, S.L.U.
International Windfarm Developments II, S.L.U.	Sistemas Energéticos Cuerda Gitana, S.A.U.
Sistemas Energéticos Cuntis, S.A.U.	Sistemas Energéticos Tomillo, S.A.U.
Sistemas Energéticos La Cámara, S.L.U.	Sistemas Energéticos Ladera Negra, S.A.U.
Sistemas Energéticos La Plana, S.A.U.	Sistemas Energéticos Eolo, S.L.
Sistemas Energéticos Siroco, S.L.	Sistemas Energéticos Céfiro, S.L.
Sistemas Energéticos Boreas, S.L.	Sistemas Energéticos Argestes, S.L.
Sistemas Energéticos Terral, S.L.	Sistemas Energéticos Gregal, S.L.
Sistemas Energéticos Ábrego, S.L.	

The following companies are subject to the aforementioned Special Regime of Value Added Tax for Group entities in the year 2020:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.
Adwen Offshore, S.L.U.	Sistemas Energéticos La Cámara, S.L.U.
Sistemas Energéticos La Plana, S.A.U.	Sistemas Energéticos Cabezo Negro, S.A.U.

Also, since 2010 the subsidiaries located in the Autonomous Community of *Navarra* Siemens Gamesa Renewable Energy Eólica, S.L.U., Siemens Gamesa Renewable Energy Innovation & Technology, S.L.U. and Estructuras Metálicas Singulares, S.A.U. have filed consolidated tax returns pursuant to *Navarra* Corporation Tax Regulation 26/2016 of December 28, (*Ley Foral 26/2016, de 28 de diciembre, del impuesto de sociedades*).

In 2016, three more companies were incorporated to this Group, Siemens Gamesa Renewable Energy Latam, S.L., Siemens Gamesa Renewable Energy Apac, S.L.U. and Sistemas Energéticos El Valle, S.L.U. In 2020 Sistemas Energéticos El Valle, S.L.U gets out from that tax group as the shareholding in that entity has been sold by the Group (Note 2.C).

Since 2005, Siemens Gamesa Renewable Energy USA, Inc. and its subsidiaries were taxed by the Federal Income Tax under the Consolidated Tax of the United States, being Siemens Gamesa Renewable Energy USA, Inc. the parent company of the Tax Group. Since October 1, 2018 Siemens Gamesa Renewable Energy, Inc. is the parent company of such group after merging with Siemens Gamesa Renewable Energy USA, Inc.

From 2005 until September 28, 2020, Siemens Gamesa Renewable Energy A/S was part of a joint taxation group in Denmark, being Siemens A/S nominated as the administration company of that Group.

Since September 28, 2020, Siemens Gamesa Renewable Energy A/S and Siemens Energy A/S constitute a new Danish joint taxation group, with Siemens Renewable Energy A/S being the administration company of that group.

The rest of the Group's companies are taxed on an individual return basis in accordance with the legislation in force in their respective jurisdictions.

The breakdown of income tax between current and deferred taxes is as follows:

Thousands of euros	09.30.2020	09.30.2019
Current tax	(136,837)	(114,894)
Deferred tax	236,591	65,404
Income tax income (expense)	99,754	(49,490)

The income tax income (expense) in the years ended September 30, 2020 and 2019 includes adjustments recognized for current tax of prior years amounting to EUR 18,721 thousand and EUR 8,664 thousand, respectively. The deferred tax income (expense) in the year ended September 30, 2020 and 2019 includes tax effects of the creation and reversal of temporary differences amounting to EUR 195,522 thousand and EUR 131,385 thousand, respectively.

Income tax expense (current and deferred) differs from the amounts computed by applying the tax rate corresponding to the parent company, of 24% in 2020 (26% in 2019), as follows:

Thousands of euros	09.30.2020	09.30.2019
Income before taxes	(1,018,713)	190,428
Expected income tax income (expense)	244,491	(49,511)
(Increase) decrease resulting from		
- Non-deductible losses and expenses	(17,279)	(52,896)
- Tax-free income	15,594	27,052
- Taxes from prior years	(2,357)	1,195
- Effects on corrections of realizability of deferred tax assets and tax credits	(159,641)	(40,435)
- Changes in tax rates	2,183	33,990
- Foreign tax rate differential	16,150	30,456
- Other, net	613	659
Income tax income (expense)	99,754	(49,490)

27. Deferred taxes

The balances recognized under "Deferred tax assets" and "Deferred tax liabilities" of the Consolidated Balance Sheet as of September 30, 2020 and 2019 arose as a result of the following circumstances:

- The different accounting and tax methods for recognising certain provisions.
- Temporary differences deriving from the limit for deductions of financial expenses for tax purposes.
- The Purchase Price Allocation (PPA) effect.

The breakdown of “Deferred tax assets” and “Deferred tax liabilities” on a gross basis in the Consolidated Balance Sheet as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Assets		
Tax loss carryforwards	382,001	381,884
Tax credit carryforwards	74,935	77,193
Temporary differences – Assets	796,592	650,860
Deferred taxes from provisions	574,103	472,723
Deferred taxes from derivative financial instruments	8,759	9,931
Deferred taxes from pension plans and similar commitments	762	768
Deferred taxes from local goodwill	19,010	12,829
Other deferred tax assets	193,958	154,609
Deferred tax assets	1,253,528	1,109,937
Liabilities		
Temporary differences – Liabilities	(953,521)	(1,029,845)
Deferred taxes from PPA allocated in business combinations	(371,664)	(471,969)
Deferred taxes from derivative financial instruments	(9,352)	(7,145)
Deferred taxes from pension plans and similar commitments	(1,105)	(1,820)
Deferred taxes from intangible and tangible assets	(140,412)	(91,802)
Deferred taxes from inventories	(122,812)	(106,458)
Deferred taxes from account receivables	(62,616)	(76,550)
Deferred taxes from deferred income	(4,309)	(43,765)
Other deferred tax liabilities	(241,251)	(230,336)
Deferred tax liabilities	(953,521)	(1,029,845)
Total deferred tax assets (liabilities), net	300,007	80,092

The recoverability of deferred tax assets is assessed based on projected future taxable profits at the level of the different jurisdictions where the Group operates, which have been estimated based on the projections of future profits, growth rates and hypothesis for the next years that the Group works with, considering the assumptions of the Group regarding the current tax regulations and their foreseeable development in the different jurisdictions.

With regard to tax loss carryforwards and to tax credit carryforwards recorded, which are mainly registered in companies in Spain, in the United States and in Brazil, their recoverability is reasonably assured by the expected future taxable profits available for the utilization.

The reconciliation of the deferred tax asset (net) with the deferred tax income is as follows:

Thousands of euros	09.30.2020	09.30.2019
Opening balance	80,092	2,799
Business combinations (Note 1.B and 4)	7,337	-
First application of IFRS 9	-	1,808
Deferred tax (expense) income (Note 26)	236,591	65,404
(Charge) Credit in the equity	(2,670)	14,109
Variations due to exchange differences	(21,343)	(4,028)
Closing balance	300,007	80,092

On 20 September 2019, a Tax Ordinance was promulgated in India introducing new measures and sections in the Income Tax Act that was in force.

Prior to the Ordinance, domestic companies in India were liable to an effective tax rate ranged from 26% to 34.94% (including 10% surcharge and 4% as a health & education “cess”).

With that Tax Ordinance, and with effect April 2019 the Indian companies had an option to pay income tax at the effective rate of 25.17% subject to certain conditions, including the not availing of specified tax exemption and incentives foreseen in the previous rule.

The Indian companies of SIEMENS GAMESA Group fulfilled the foreseen conditions and decided to opt for applying the new Tax Ordinance. Therefore, as of September 30, 2019, the deferred tax assets and liabilities of the Indian subsidiaries were measured at the new rate (25.17%) and, as a consequence of that, the income tax expense as of September 30, 2019 included a positive impact amounting to, approximately, EUR 27 million.

SIEMENS GAMESA Group recognizes deferred tax assets, tax loss carryforwards and unused tax credits and tax relief only to the extent that their future realisation or utilisation is sufficiently assured.

Deferred tax assets have not been recognized with respect of the following items (gross and net amounts):

Thousands of euros	09.30.2020	09.30.2019
Deductible temporary differences	372,360	223,991
Tax loss carryforwards	2,707,675	2,242,421
Total (gross amounts)	3,080,035	2,466,412

Thousands of euros	09.30.2020	09.30.2019
Tax credit carryforwards, net	196,308	193,789
Total (net amounts)	196,308	193,789

Out of the total amount of unrecognized tax loss carry-forwards as of September 30, 2020, an amount of EUR 1,104,534 thousand will expire in the following years until 2029 and EUR 1,127,949 thousand will expire in 2030 and onwards (as of September 30, 2019 an amount of EUR 60,880 thousand expired in the following years until 2028 and EUR 1,389,563 thousand expired in 2029 and onwards). The rest of the amounts has no expiration date.

Out of the unrecognized tax credits as of September 30, 2020 EUR 52,770 thousand will expire between the years 2021 and 2024, and an amount of EUR 140,829 thousand will expire after 2030 (EUR 190,327 thousand expiring in 2028 and subsequent years as of September 30, 2019). The rest of the amounts has no expiration date.

SIEMENS GAMESA Group has not recognized deferred tax liabilities for income taxes or foreign withholding taxes on the cumulative earnings of subsidiaries of EUR 378,518 thousand and EUR 844,292 thousand, respectively in fiscal years 2020 and 2019, because the earnings are intended to be permanently reinvested in the subsidiaries.

Including items charged or credited directly to equity and the income (expense) from continuing and discontinued operations, the income tax income (expense) consists of the following:

Thousands of euros	09.30.2020	09.30.2019
Continuing operations	99,754	(49,490)
Income (expense) recognized directly in "Total equity"	(2,670)	14,109
Total	97,084	(35,381)

28. Commitments, guarantees to third parties and contingent liabilities

As of September 30, 2020 and 2019, different financial and insurance entities have provided financial guarantees and guarantees provided to public entities amounting to EUR 87,301 thousand and EUR 101,960 thousand, respectively. The breakdown of these guarantees is as follows:

Thousands of euros	09.30.2020	09.30.2019
Financing guarantees	70,722	74,352
Guarantees provided to public entities	16,579	27,608
Total	87,301	101,960

SIEMENS GAMESA Group considers that liabilities, if any, which might arise from the obligations and guarantees shown in the table above, in addition to those for which provisions had been recognized as of September 30, 2020 and 2019, would not be significant.

In addition, SIEMENS GAMESA Group provides credit guarantees which cover the financial obligations of third parties generally in cases where SIEMENS GAMESA Group is the vendor and/or contractual partner or SIEMENS GAMESA Group is liable for obligations of associate companies accounted for using the equity method. As of September 30, 2020 and 2019, there are no outstanding credit guarantees.

Furthermore, SIEMENS GAMESA Group issues guarantees of third-party performance for project partners. In the event of non-fulfilment of contractual obligations by the partner, SIEMENS GAMESA Group will be required to pay up to an agreed-upon maximum amount. The total amount of guarantees of third-party performance as of September 30, 2020 is EUR 2,071 thousand (EUR 2,786 thousand as of September 30, 2019).

Additionally, in line with widespread industry practice, the Group obtains guarantees and commitments to cover its obligations arising from the ordinary course of its business, coming from the sale of assets and from potential risks of its activities. At the date of these Consolidated Financial Statements, the probability of a breach that would trigger a liability for these commitments to any material extent is remote.

29. Revenues and expenses

A. REVENUE

The detail of this heading of the Consolidated Statement of Profit and Loss for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Wind Turbines	7,714,823	8,733,498
Onshore	4,907,043	5,225,124
Offshore	2,807,780	3,508,374
Operation and Maintenance	1,768,386	1,493,381
Total revenue	9,483,209	10,226,879

B. PROCUREMENTS

The detail of procurements of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Supplies	6,975,930	6,821,582
Changes in inventories of finished products and work in progress	(22,866)	(35,937)
Total	6,953,064	6,785,645

C. STAFF COSTS

The detail of staff cost of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Wages and salaries	1,463,303	1,376,215
Social welfare contributions	195,321	173,044
Expenses related to pension plans and other social benefits	69,031	64,512
Total staff costs	1,727,655	1,613,771

During the year ended September 30, 2020, SIEMENS GAMESA Group has recognized personnel related restructuring costs amounting to EUR 54 million (mainly in Spain EUR 32 million, basically for the closure of the Aoiz plant), which form part of the total restructuring effort of EUR 273 million. Therefore, non-personnel related restructuring cost amounting to EUR 219 million are caused by the restructuring recorded in India.

During the year ended September 30, 2019, SIEMENS GAMESA Group recognized personnel restructuring costs amounting to EUR 32 million, of which EUR 16 million were related to the agreement signed with the workers council related to the ADWEN entities in Germany on October 15, 2018 and which affected 166 employees.

Denmark

In October 2019, an agreement was signed with the workers council in Denmark for the dismissal of 460 employees. This measure is due to a challenging market environment and a highly competitive landscape characterized by price pressures affecting the production of direct drive onshore turbines in Brande and the onshore blade production in Aalborg.

India

In the second quarter of fiscal year 2020, SIEMENS GAMESA's management approved a restructuring plan in the Wind Turbine segment, aimed at resizing and modifying the scope of business undertaken by its operation in India, in order to adapt the business model to the current market structure and the significantly reduced market outlooks in India.

As of September 30, 2020, staff-related restructuring costs of EUR 2 million have been recognized. Furthermore, as a direct result of the decisions and measures taken in the context of this restructuring plan, additionally to the staff costs indicated above, non-personnel related expenses have been recognized under inventory write-downs (EUR 126 million, Note 12), "Other intangible assets" impairment (EUR 82 million, Note 14) and "Property, plant and equipment" impairment (EUR 11 million, Note 15).

Spain

The need to improve the profitability of the Wind Turbines business is not confined to India but extends to all geographies. In the EMEA's region (Note 25.B), the company continues to adapt its manufacturing footprint to demand in a market that requires ever-larger turbines (closure of the Aoiz plant) and more competitive costs.

The average number of employees in the years 2020 and 2019, by professional category, is as follows:

Average number of employees	2020			2019		
	Male	Female	Total	Male	Female	Total
Executive and Top Management	224	28	252	287	31	318
Managers	2,777	658	3,435	2,548	599	3,147
Employees	17,674	4,097	21,771	16,549	3,855	20,404
Total	20,675	4,783	25,458	19,384	4,485	23,869

The increase in the number of employees is mainly due to the entry of the staff of Senvion companies into the Group (Notes 1.B and 4).

During the year ended September 30, 2020 the Board of Directors of SIEMENS GAMESA Group is formed on average by 12 members, 9 males and 3 females, and during 2019 by 13 members, 10 males and 3 females.

The Top Management of SIEMENS GAMESA Group is formed on average during the year ended September 30, 2020 and 2019 by 7 and 6 members, respectively, all of them male.

The distribution of employees by gender as of September 30, 2020 and 2019 is as follows:

Number of employees	09.30.2020			09.30.2019		
	Male	Female	Total	Male	Female	Total
Executive and Top Management	219	29	248	298	34	332
Managers	2,791	677	3,468	2,616	625	3,241
Employees	18,205	4,193	22,398	16,944	3,936	20,880
Total	21,215	4,899	26,114	19,858	4,595	24,453

The Board of Directors is formed by 10 members, 7 males and 3 females as of September 30, 2020 and 13 members, 10 males and 3 females as of September 30, 2019.

The Top Management is formed by 6 and 7 members as of September 30, 2020 and 2019, respectively, all of them male.

The average number of employees of SIEMENS GAMESA Group in the years 2020 and 2019, with a disability equal to or greater than 33%, by category, is as follows:

Categories	2020	2019
Managers	11	13
Employees	17	19
Total	28	32

This average number of employees with a disability equal to or greater than 33% is referred to the employees of the Spanish companies of the consolidated scope.

D. OTHER OPERATING EXPENSES BY NATURE

The breakdown of other operating expenses of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Rent and royalties (Note 18.B)	186,483	280,852
Professional services	433,765	424,054
Insurance	54,827	64,109
Communications, security and advertising	89,651	67,284
Utilities	43,450	41,037
Travel expenses	73,464	115,100
Training and staff development	26,336	33,622
Other services	83,760	77,721
Taxes and other	26,742	13,664
Total other operating expenses	1,018,478	1,117,443

E. DEPRECIATION / AMORTIZATION CHARGE AND IMPAIRMENT OF INTANGIBLE AND FIXED ASSETS

The detail of depreciation / amortization charge and impairment of intangible and fixed assets of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Intangible asset amortization charge (Note 14)	321,062	294,504
Property, plant and equipment depreciation charge (Note 15)	412,568	326,703
Amortization and depreciation charge of intangible and fixed assets	733,630	621,207
Intangible asset impairment (Note 14)	82,291	13,932
Property, plant and equipment impairment (Note 15)	28,276	11,652
Impairment of intangible and fixed assets	110,567	25,584
Amortization / depreciation and impairment of intangible and fixed assets	844,197	646,791

F. INTEREST INCOME

The detail of "Interest income" of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Interest income of operations	9,018	11,851
Other interest income	1,091	1,959
Total interest income	10,109	13,810

G. INTEREST EXPENSES

The "Interest expenses" detail of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Interest expenses of operations	24,234	27,043
Leases interest expenses (Note 18.B)	6,423	-
Other interest expenses	35,773	25,897
Total interest expenses	66,430	52,940

Therein:

Thousands of euros	2020	2019
Interest expense on debts and interest paid to banks and Interest related expenses	55,540	48,471
Leases interest expenses (Note 18)	6,423	-
Interest expense related to trade accounts payables	2,017	3,788
Other interest expenses	2,450	681
Total interest expenses	66,430	52,940

Related to "Interest expense on debts and interest paid to banks and Interest related expenses", this chapter is affected by the increase of gross debt in certain foreign currencies, mainly indian rupees bearing a significantly higher interest rate (Note 18).

H. OTHER FINANCIAL INCOME (EXPENSES), NET

The "Other financial income (expenses), net" detail of the Consolidated Statement of Profit and Loss by nature for the years ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Income (expenses) from equity instruments	(1,437)	8,468
Other financial and similar income / (loss)	(870)	(30,093)
Total other financial income (expenses), net	(2,307)	(21,625)

Therein:

Thousands of euros	2020	2019
Income (expenses) from equity instruments	(1,437)	8,468
Other financial and similar income (loss)	(870)	(30,093)
Therein "Interest income from measurement of provisions"	(1,170)	(27,627)
Therein "Gains and losses on financial and other receivables from subsidiaries and liabilities to subsidiaries denominated a foreign currency"	2,171	(1,280)
Therein "Others"	(1,871)	(1,185)
Total other financial income (expenses), net	(2,307)	(21,625)

30. Related party balances and transactions

All the balances between the consolidated companies and the effect of the transactions between them during the year are eliminated in the consolidation process. The breakdown of the balances with related parties which are not eliminated in consolidation in the years 2020 and 2019 is as follows:

Thousands of euros	09.30.2020							
	Contract Assets	Receivables	Other financial assets	Non-current Financial debt	Current Financial debt	Payables	Other financial liabilities	Contract liabilities
SIEMENS ENERGY	-	-	-	-	-	-	-	-
Other SIEMENS ENERGY Group entities	-	631	-	3	67	8,121	-	-
Group SIEMENS ENERGY (Note 1.D)	-	631	-	3	67	8,121	-	-
SIEMENS	-	30,699	8,668	-	-	5,652	1,551	-
Other SIEMENS Group entities	-	158	159	3,870	1,592	238,578	343	--
Group SIEMENS	-	30,857	8,827	3,870	1,592	244,230	1,894	-
Windar Renovables	-	323	-	-	-	7,586	-	-
VejaMate Offshore Project GmbH	12,843	3,900	-	-	-	-	-	34,952
Galloper Wind Farm Limited	20,866	-	-	-	-	-	-	19,956
ZeeEnergie C.V. Amsterdam	-	-	-	-	-	-	-	28,913
Buitengaats C.V. Amsterdam	-	-	-	-	-	-	-	28,913
OWP Butendiek GmbH & Co. KG	-	-	-	-	-	-	-	67,488
Tromsoe Vind AS	-	15,012	-	-	-	-	-	13,182
Stavro Holding I AB	66,995	-	-	-	-	-	-	7,793
Other	-	101	17,486	-	-	7,606	1,997	-
Total	100,704	50,824	26,313	3,873	1,659	267,543	3,891	201,197

Thousands of euros	09.30.2019					
	Contract Assets	Receivables	Other financial assets	Payables	Other financial liabilities	Contract liabilities
SIEMENS	-	19,914	-	272,452	-	-
Other SIEMENS Group entities	-	1,602	-	13,238	-	-
Group SIEMENS	-	21,516	-	285,690	-	-
Iberdrola Group	72,316	14,769	-	555	1,374	29,018
Windar Renovables	-	1,359	-	77,604	-	-
VejaMate Offshore Project GmbH	14,492	-	-	-	-	25,040
Galloper Wind Farm Limited	26,412	4,082	-	1,042	-	6,716
ZeeEnergie C.V. Amsterdam	-	-	-	-	-	21,395
Buitengaats C.V. Amsterdam	-	-	-	-	-	21,395
OWP Butendiek GmbH & Co. KG	-	-	-	-	-	55,455
Tromsøe Vind AS	55,178	5,457	-	-	-	8,850
Other	365	1,403	17,880	4,813	-	-
Total	168,763	48,586	17,880	369,704	1,374	167,869

The breakdown of the transactions with related parties which are not eliminated in consolidation in the fiscal years 2020 and 2019 is as follows:

Thousands of euros	2020		2019	
	Sales and services rendered	Purchases and services received	Sales and services rendered	Purchases and services received
SIEMENS ENERGY	-	-	-	-
Other SIEMENS ENERGY Group entities	-	-	-	-
SIEMENS ENERGY Group (Note 1.D) (*)	-	-	-	-
SIEMENS	278	210,108	662	339,610
Other SIEMENS Group entities	1,655	330,921	1,653	273,743
SIEMENS Group	1,933	541,029	2,315	613,353
Iberdrola Group (**)	340,048	2,357	716,352	5,905
Windar Renovables	160	47,848	1,214	114,871
VejaMate Offshore Project GmbH	8,823	33	24,338	-
Galloper Wind Farm Limited	28,161	-	26,900	1,017
ZeeEnergie C.V. Amsterdam	14,643	-	16,189	-
Buitengaats C.V. Amsterdam	14,643	-	16,189	-
OWP Butendiek GmbH & Co. KG	16,869	-	43,512	-
Tromsøe Vind AS	39,845	1,567	246,274	-
Stavro Holding I AB	108,645	-	-	-
Raudfjell Vind AS	43,161	557	-	-
Other	764	22,418	34,552	20,021
Total	617,695	615,809	1,127,835	755,167

(*) The change of SIEMENS GAMESA's significant shareholder took place on September 25, 2020. During fiscal year 2020, there have been transactions with companies of the current SIEMENS ENERGY Group, but these have been carried out before September 25, 2020 and are therefore included in the table above within the operations carried out with SIEMENS Group.

(**) The transactions carried out with the Iberdrola Group are reported from October 1, 2019 to February 5, 2020 (Note 1.C).

All transactions with related parties have been carried out under market conditions.

A. TRANSACTIONS WITH SIEMENS GROUP

Goods and services purchased

On June 17, 2016, SIEMENS GAMESA and SIEMENS signed a Strategic Alliance Agreement, relating to the framework for the supervision of the strategic relationship between the parties and which included, as part of the strategic partnership established, the intention of the parties to conclude the so called "Implementation Agreements".

One of such signed "Implementation Agreements" is the Strategic Supply Agreement by virtue of which SIEMENS became the strategic SIEMENS GAMESA supplier of gears, segments, and other products and services offered by SIEMENS for the wind power business. The award system set out therein ensures that the supplies will be

carried under market conditions, as well as the involvement of and access to other suppliers. In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS signed in May 2020 an Extension and Amendment Agreement to the Strategic Supply Agreement (as further detailed below).

On March 31, 2017, SIEMENS GAMESA and SIEMENS entered into a Trademark and Name Use License Agreement by virtue of which SIEMENS GAMESA was entitled to use the SIEMENS brand during the period in which SIEMENS: (a) directly or indirectly holds more than 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as SIEMENS holds the majority of Board of Director voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Accordingly, in the context of SIEMENS ENERGY Spin-Off, this Trademark and Name Use License Agreement has expired.

On May 4, 2017 SIEMENS GAMESA and SIEMENS signed a Framework Agreement concerning the relationship between the parties. In the context of SIEMENS ENERGY Spin-Off, this Framework Agreement is no longer in force.

On August 1, 2018, SIEMENS GAMESA and SIEMENS entered into an external services agreement (hereinafter, "ESA") (as amended in September 2019) by which SIEMENS provides procurement services enabling SIEMENS GAMESA Group to benefit from collective bargaining power. The initial term of the ESA was 1 year for operational procurement services while the initial term for other procurement services was 2 years from effective date, both extendable for 2 additional years. ESA was as of September 2019 extended until end of July 2022, although certain services will terminate in March/April 2021 as a result of a termination notice issued by SIEMENS GAMESA to SIEMENS.

On August 20, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy GmbH & Co. KG and SIEMENS entered into a contractual agreement (in the form of a memorandum of understanding) by which both parties cooperate in the development and deployment of thermal energy storage systems. The project is co-funded by the Federal Ministry of Economic Affairs and Energy of Germany.

On September 3, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy LLC, and SIEMENS, through its subsidiary OOO Siemens Gas Turbine Technologies, entered into a contract manufacturing agreement for the assembly of wind turbines for the Russian market. The initial term is set to 3 years.

On October 1, 2018, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on specific accounting related topics. This agreement has expired on September 30, 2020.

On January 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support for administration of Intellectual Property related matters.

On April 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides licenses for Teamcenter software maintenance and original equipment manufacturer support utilized for managing the product development process. This agreement has been extended until September 30, 2021.

During fiscal years 2020 and 2019, SIEMENS GAMESA Group has purchased supplies for the Wind Turbine construction from SIEMENS Group, from the SIEMENS divisions "Process Industries and Drives" and "Energy Management". In addition, SIEMENS Group provided services to SIEMENS GAMESA Group based on Transitional Service Agreements for IT services, tax services, selling support, human resources, legal, treasury services and corporate finance services, among others.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on manpower for United States onshore projects.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into service agreements by which SIEMENS provides sales support and government affairs support.

During fiscal years 2020 and 2019, SIEMENS GAMESA and SIEMENS extended same existing office lease agreements and also new office lease agreements have been signed.

During fiscal year 2020, SIEMENS GAMESA and SIEMENS extended several existing license agreements, and license maintenance and service agreements.

On May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an “umbrella” for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements covered under the Umbrella Agreement:

Agreements signed with SIEMENS

- Trademark and Name Use (Sub-) Licensing Agreement with a fixed initial term of 10 years for a worldwide, fully paid up right – and also obligation - to use the trademark and designation “SIEMENS” to SIEMENS GAMESA and as long as SIEMENS has a trademark licensing agreement with SIEMENS ENERGY and provided, inter alia, that SIEMENS ENERGY remains the controlling shareholder of SIEMENS GAMESA.
- Amendment Agreement to the Service Agreement regarding the use of SIEMENS’s cash management tool, in order to continue using that tool after the Spin-off.
- Amendment of the contractual conditions of the Guarantee Facility Agreements (hereinafter, “GFA”) for the existing guarantee portfolio with SIEMENS to adapt to new conditions applicable for SIEMENS not being a majority shareholder of SIEMENS GAMESA. Essentially the agreement is continued until the expiration of the guarantees. Although the level of fees to be paid for the guarantees does increase especially during the first two years (compared to the period during which SIEMENS GAMESA was still part of SIEMENS), the fee level has been substantially reduced compared to the original applicable contractual stipulations for that scenario.
- Extension and Amendment Agreement to the Strategic Supply Agreement for future supply of components and services from SIEMENS. The scope of the Strategic Supply Agreement includes, inter alia, the supply by SIEMENS to SIEMENS GAMESA of segments and gears.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS also signed the following agreements:

- On August 13, 2020, Preferred Financing Agreement which provides a framework whereby the parties collaborate in the development and execution of financial solutions - through Siemens Financial Services (“SFS”) and related Financing Entities - towards customers using SIEMENS GAMESA technology and/or services.
- On August 20, 2020, US Government Affairs & Lobbying Support for government affairs support from Siemens Corporation in Washington DC.
- On September 24, 2020, Service Contract for the SIEMENS common Remote Service Platform classic (“cRSP”) which is a Siemens proprietary platform used to provide secure remote access to Wind Turbines equipment and it is used by SIEMENS GAMESA to get remote access to legacy Siemens Wind Power wind farm systems and components.
- On September 1, Service Contract for the SIEMENS Extensible Security Testing Appliance (“SIESTA”) which is an appliance box for extensive security testing of industrial IT systems that provides vulnerability scanning services.

Agreements signed with SIEMENS ENERGY

Detailed below in Section E.

Guarantees provided between SIEMENS GAMESA Group and SIEMENS Group

As of September 30, 2020, SIEMENS Group has provided guarantees to third parties for the performance of SIEMENS GAMESA Group amounting to EUR 11,414 million (EUR 21,204 million as of September 30, 2019).

In December 2018, SIEMENS GAMESA and SIEMENS entered into an agreement by which SIEMENS GAMESA issued a technical guarantee to SIEMENS related to several repowering projects in United States involving tax equity investment from SIEMENS.

Share-based payments

Certain employees of SIEMENS GAMESA Group that have transferred from other SIEMENS Group entities participate in share-based payment awards implemented by SIEMENS. SIEMENS delivers the respective shares on behalf of SIEMENS GAMESA. Due to the limited extent of participation in the share-based programs, the effect on the Consolidated Financial Statements is not significant in the periods presented. These programs are ended as of September 30, 2020.

Hedging and derivatives

SIEMENS GAMESA Group's hedging activities were partially performed via SIEMENS and Siemens Capital Company LLC on an arm's length basis until March 2020. The consideration was based on the market rates. The outstanding portfolio of hedges with SIEMENS and Siemens Capital Company LLC was terminated and transferred to external banks during September 2020 (Note 17), before SIEMENS ENERGY Spin-off. As of September 30, 2020, there is no amount for this concept recorded in "Other financial assets" and "Other financial liabilities" (EUR 133,320 thousand and EUR 126,225 thousand, respectively as of September 30, 2019).

On February 2019, SIEMENS GAMESA, issued a guarantee to SIEMENS regarding the provided hedging services amounting to approximately 3% of the outstanding hedging volume. The parent company guarantee expiration was linked to the termination of the hedging contracts with SIEMENS and Siemens Capital Company LLC, which are already finished as of September 30, 2020.

Insurance program

At the end of September 2017, SIEMENS GAMESA, as a company member of SIEMENS Group, adhered, with effective date from October 1, 2017, to a global stand-alone insurance program including all-risk property damages insurance policies, civil liability insurance policies, transport, chartering of ships and all-risk construction insurance policies. Siemens Financial Services acts as insurance broker and service provider for the Global Insurance Program. This ended on September 30, 2019.

B. AGREEMENTS WITH THE IBERDROLA GROUP RELATED TO THE WIND TURBINES AND OPERATIONS AND MAINTENANCE SEGMENTS

On February 4, 2020, Iberdrola Participaciones sold all its shares at SIEMENS GAMESA to SIEMENS. At the same date, Iberdrola, SIEMENS and SIEMENS GAMESA signed a cooperation agreement that covers certain wind power projects. For these projects, Iberdrola, as a customer of SIEMENS and SIEMENS GAMESA, will grant these companies exclusive negotiation rights for a limited period of time.

From February 5, 2020, Iberdrola is no longer a related party of SIEMENS GAMESA (Note 1.C).

SIEMENS GAMESA Group, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U. and Iberdrola, S.A., concluded on December 21, 2011 a framework agreement relating to the supply and maintenance of wind turbines. Under that framework agreement, SIEMENS GAMESA Group and Iberdrola, S.A. assumed the following commitments:

- Iberdrola, S.A. shall acquire from SIEMENS GAMESA Group a quota of megawatts equivalent to 50% of the total onshore wind turbine fleet that Iberdrola, S.A. acquires for its Renewables Business Unit during the term of the framework agreement.

This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by the Iberdrola Group from SIEMENS GAMESA Group totals 3,800 MW, whichever occurs first.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), no sales were made in the framework of the abovementioned contract (approximately 110 MW during the first half of fiscal year 2019).

- SIEMENS GAMESA and Iberdrola, S.A. will closely collaborate with new opportunities relating to the offshore wind business.
- SIEMENS GAMESA and Iberdrola, S.A. will collaborate within the area of maintenance services so that Siemens Gamesa Renewable Energy Eólica, S.L.U. will become a company of reference with respect to wind farm maintenance throughout the Iberdrola Group's business.
- Likewise, during the period different minor components have been delivered, mainly spare parts.

In April 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U., closed an agreement with the Iberdrola Group for the maintenance of wind farms in the Iberian Peninsula of about 1,265 MW for a period of 2 years plus another optional year.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), the total of MW under maintenance in the Iberdrola Group's wind farms approximately amounted to 4,200 MW. An agreement for the supply of spare parts and repairs was currently in force, with an end date of December 2020.

In addition, in October 2015, SIEMENS GAMESA Group and the Iberdrola Group reached an agreement to implement the product Energy Thrust, aimed to increase the efficiency of the turbines and their production ratios, for a total of 1,602 MW.

In December 2016, a later addendum to the previous contract was signed extending it by additional 612 MW for the 2 MW platform. Moreover, for different companies in the Iberdrola Group an additional 795 MW was negotiated.

In July 2018, an agreement has been reached with the Iberdrola Group for the installation and activation of the Energy Thrust product in 941 wind turbines of the Avangrid Fleet, and in August 2018, for the installation and activation of the same product in part of the Scottish Power's fleet. The former, finalized in December 2018 and the latter was still ongoing at the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C).

In December 2018, SIEMENS GAMESA signed an agreement with Iberdrola Group for the sale of two special purpose vehicles for two windfarms in Spain with a total of approximately 70 MW. In July 2019, SIEMENS GAMESA closed an agreement with the Iberdrola Group for the sale of one special purpose vehicle for a windfarm in Spain with a total of approximately 49 MW.

In January and February 2019, SIEMENS GAMESA signed several long-term service agreements with the Iberdrola Group for several windfarms in Spain with a total of 106 MW.

Finally, in May 2019, SIEMENS GAMESA signed a supply agreement contract for high voltage electricity with Iberdrola in Spain for a 3 years period.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), several sales were made amounting to 202 MW. Additionally, several short and mid-term service agreements were made.

C. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND WINDAR RENOVABLES, S.L.

On June 25, 2007 SIEMENS GAMESA Group (through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U.) signed a tower supply agreement with Windar Renovables, S.L. On September 4, 2019, both parties signed a tower supply agreement for fiscal year 2020, in which SIEMENS GAMESA Group guaranteed Windar Renovables, S.L. 90% of the tower demand in region SE&A (included in EMEA geographical area).

In 2020, SIEMENS GAMESA Group and Windar Renovables, S.L. have signed a tower supply agreement for an offshore windfarm.

The conditions for transactions with associates are equivalent to those carried out with independent parties.

D. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND SCHAEFFLER TECHNOLOGIES AG & CO. KG

On September 28, 2018, SIEMENS GAMESA Group reached a settlement agreement with Schaeffler Technologies AG & Co. KG regarding a previous supply contract. This agreement consisted mainly of a payment to SIEMENS GAMESA Group in amount of EUR 4,000 thousand. During 2019 this amount was collected while other aspects of the settlement were modified mainly to components supply.

SIEMENS GAMESA Group and Schaeffler Technologies AG & Co. KG have a Master Framework Agreement for the price and volume of procurements entered into before the Merger effective date (through SIEMENS).

During fiscal year 2020, SIEMENS GAMESA and Schaeffler Technologies AG & Co. KG signed purchase agreements for components, spare parts and services.

E. TRANSACTION WITH SIEMENS ENERGY GROUP

Agreements signed with SIEMENS ENERGY Group

As mentioned above (Note 30.A), on May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an “umbrella” for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements between SIEMENS GAMESA and SIEMENS ENERGY covered under the Umbrella Agreement:

- External Service Agreement for the provision of software licenses and software license-related services by which SIEMENS ENERGY will manage specific software products and related services centrally to provide cost-effective and compliant services.
- Agreement on Siemens Guarantees with SIEMENS ENERGY as a joint and several guarantors in favor of SIEMENS under the GFA (as defined in the Note 30.A). As of September 30, 2020, SIEMENS ENERGY has provided counter-guarantees to SIEMENS in amounting of EUR 11,414 million to counter-guarantee the Parent Company Guarantees (PGC) and Corporate bonds issued by SIEMENS to SIEMENS GAMESA Group companies.
- Agreement on Netting and Settlement of Group Internal receivables and Payables for Goods and Services. The aim is to continue participating in SIEMENS Group internal netting and settlement system.
- Strategic Alliance Agreement (hereinafter, “SAA”) with SIEMENS ENERGY as successor to existing SAA with SIEMENS. Scope of the SAA provides a framework for the supervision of the strategic relationship between the parties and follows the evolution of three agreements:
 - Strategic Supply Agreement for future supply of transformers and related services from SIEMENS ENERGY.

- Key Account Management Service Agreement under which SIEMENS ENERGY and SIEMENS GAMESA provide sales support services to each other for a list of agreed common key customers.
- Regional Support Agreement with the possibility for SIEMENS GAMESA to benefit from SIEMENS ENERGY worldwide country setup in the area of sales and marketing such as customer relationship management, proposal management, sales support and administration, sales consulting, marketing, market research and analysis, outbound marketing, promotion and event management.
- Framework Agreement setting forth certain rights and obligations concerning the relationship between the parties.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS ENERGY also signed the following agreements:

- Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of IT-related services to cover a small subset of the original service portfolio that SIEMENS GAMESA was receiving from SIEMENS.
- On 31 August 2020, a Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of HR-related services for the “Workday” and “Concur” platforms.

On October 1, 2020, SIEMENS GAMESA and SIEMENS ENERGY entered into a service agreement by which SIEMENS will provide corporate accounting support services until September 30, 2022.

31. Directors’ remuneration

In the years 2020 and 2019, the Directors of SIEMENS GAMESA earned compensations for membership and assistance to the Board and Board’s Committees, when applicable, salary, severance, variable compensation in cash, long-term savings system and other concepts amounting to approximately EUR 4,885 thousand and EUR 3,498 thousand, respectively. The breakdown of Directors’ compensation is as follows:

Thousands of euros	2020	2019
Members of the Board of Directors		
Type of remuneration		
Compensation for membership of the Board and Board’s Commissions	1,714	1,808
Salaries	908	1,027
Severance payment	1,623	-
Variable compensation in cash	402	428
Long-term savings system	215	167
	4,862	3,430
Other concepts	23	68
Total	4,885	3,498

The amount “Severance Payment” in fiscal year 2020 corresponds to the compensations received by the previous Chief Executive Officer for the following concepts: (i) non-competition covenant amounting EUR 718 thousand, (ii) no advance notice amounting EUR 179 thousand, (iii) housing expenses amounting EUR 9 thousand and (iv) severance payment as such amounting EUR 718 thousand.

The amount of “Other concepts” for the year 2020 corresponds to the amount of the premiums paid for the coverage of death and disability insurances amounting EUR 23 thousand. In 2019, the amount “Other concepts” amounting EUR 68 thousand included additionally the allocation of the Group insurance for executives, directors and other employees, which is not included in the table above for fiscal year 2020 as it does not strictly constitute a remuneration for tax purposes.

No advances or loans are given to current or prior Board members, and there are no pension obligations with them. Only the Chief Executive Officer receives contributions for pensions amounting EUR 215 thousand (includes EUR 167 thousand of the outgoing Chief Executive Officer) and EUR 167 thousand, respectively, during the financial years 2020 and 2019. Those amounts are included in the long-term savings system section in the table above.

Likewise, derived from his previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), the previous Chief Executive Officer has recognized rights on shares of SIEMENS derived from incentives granted before the Merger. During the fiscal year ended 2020 and 2019 the payment has amounted to EUR 771 thousand and EUR 873 thousand, respectively, which is not included in the table above since there is no cost for the Company.

Also, within the remunerations to the Chief Executive Officers as of September 30, 2020 and 2019, the provision recorded for the three cycles of the Long-Term Incentive Plan 2018-2020 has not been included, which amounts to EUR 488 thousand in 2020 (out of which EUR 383 thousand correspond to the outgoing Chief Executive Officer's profit accrual) and EUR 337 thousand in 2019. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the objectives of the first cycle of the Long-Term Incentive Plan, which will result in the delivery of: 41,685 shares to the CEOs (current and former). These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 984 thousand. This amount does not correspond to the cost accrued for accounting purposes in accordance with IFRS 2, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Finally, the current Chief Executive Officer has a contractual agreement to receive a financial compensation in the event of termination for reasons attributable to the Company. The financial compensation agreed for such termination consists of the payment of a compensation up to a maximum of his annual fixed cash compensation according to the Board members remuneration policy approved in the General Shareholders meeting of March 27, 2019 and modified in the General Shareholders meeting of July 22, 2020.

At the end of 2020 the members of the Board of Directors of SIEMENS GAMESA and certain people related to them as defined in the Spanish Companies Act held ownership interests in the following companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose. Also, following is a breakdown of the positions held and functions discharged at those companies:

Owner	Investee company	Line of Business	Number of Shares	Functions
Nauen, Andreas	SIEMENS ENERGY AG	Power & Utilities	100	-
Nauen, Andreas	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	200	-
Nauen, Andreas	NKT A/S	Power & Utilities	-	Member of the Supervisory Board
Tacke, Markus ⁽¹⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	10,195	-
Sen, Michael ⁽²⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	13,904	Member of the Managing Board of Siemens AG (until March 2020) and Chairman of the Supervisory Board, Chairman of the Chairman's Committee, Member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019)
López Borrego, Miguel Ángel	SIEMENS ENERGY AG	Power & Utilities	7,662	-
López Borrego, Miguel Ángel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	15,324	Chairman and CEO of Siemens, S.A., and Chairman of Siemens Holding, S.L.U., and Member of the Board of Directors of Siemens, S.A. (Portugal) and Siemens Rail Automation S.A.U., and Member of the Advisory Board of Siemens Healthineers, S.L.U.
von Schumann, Mariel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	17,161	Member of the Board of Directors of Siemens Ltd. India and Siemens Stiftung (Siemens Foundation)
Hoffmann, Andreas C. ⁽³⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	31,489	General Counsel and Head of Legal and Compliance of Siemens AG, Member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Energy Global GmbH & Co. KG, Member of the Supervisory Board of Siemens Healthcare GmbH and Member of the Board of Directors of Siemens Ltd., China, and Member of the Board of Trustees of Siemens Stiftung (Siemens Foundation)
Thomas, Ralf ⁽⁴⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	23,241	Member of the Managing Board and CFO of Siemens AG, Member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG (valid mandates in Siemens Healthineers AG at his resignation as director of Siemens Gamesa) and Siemens Aktiengesellschaft Österreich
Rosenfeld, Klaus	Schaeffler AG	Automotive and Industrial Sector	-	CEO

Owner	Investee company	Line of Business	Number of Shares	Functions
Davis, Lisa ⁽⁵⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	-	Member of the Managing Board of Siemens AG (until February 2020) and Chairwoman of Siemens Proprietary Ltd., South Africa
Azagra Pedro ⁽⁶⁾ Blázquez,	Iberdrola S.A.	Power & Utilities	176,275	Member of the Management Committee and Corporate Development Director of Iberdrola, S.A., and Member of the Managing Board and Audit and Compliance Committee of Neoennergía, S.A. (Brazil)
Holt, Tim Oliver	SIEMENS ENERGY AG	Power & Utilities	1,181	Member of the Managing Board of Siemens Energy AG, Member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, Member of the Board of Directors of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi and Member of the Board of Trustees the Siemens Foundation US.
Holt, Tim Oliver	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	2,362	Member of the Board of Directors of Siemens Ltd. India
Dawidowsky, Tim	SIEMENS ENERGY AG	Power & Utilities	849	Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG
Dawidowsky, Tim	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	1,697	Member of the Board of Directors of Siemens Pakistan
Ferraro, Maria	SIEMENS ENERGY AG	Power & Utilities	1,873	Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH.
Ferraro, Maria	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	3,746	CFO of Siemens AG Digital Industries and CDO (Chief Diversity Officer) of Siemens AG Digital Industries (both posts until April 2020); Vice President of the Board of Directors of Siemens S.p.A., Italia, Member of the Board of Directors of Siemens Ltd. Seoul, Korea, Member of the Board of Directors of Siemens S.A., Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu, Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd, Member of the Supervisory Board of IBS Industrial Business Software (Shanghai), Ltd., Member of the Supervisory Board of TASS International Co. Ltd., Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou, Member of the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd., Company

Owner	Investee company	Line of Business	Number of Shares	Functions
				Supervisor of Siemens Numerical Control Ltd., Nanjing, Member of the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited, and Member of the Governing Board of Siemens AB, Sweden

- (1) Markus Tacke has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on June 17, 2020.
(2) Michael Sen has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on March 31, 2020.
(3) Andreas C. Hoffmann has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on September 28, 2020.
(4) Ralf Thomas has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on November 27, 2019.
(5) Lisa Davis has ceased her position as Member of the Board of Directors of SIEMENS GAMESA on February 10, 2020.
(6) Pedro Azagra Blázquez has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on February 5, 2020.

On the other hand, the members of the Board of Directors have been affected by the following conflicts of interest during 2020:

Sen, Michael. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and December 17, 2019, and it happened also in the meetings of the Board of Directors of November 4 and 27 and December 16, 2019, and February 3 and 19 and March 18 and 26, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

von Schumann, Mariel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

López Borrego, Miguel Ángel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

Holt, Tim Oliver. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of February 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of April 16 and 30, 2020, and it happened also in the meetings of said Committee of March 17, April 20 and May 4, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Azagra Blázquez, Pedro. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Iberdrola, S.A. and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, December 17, 2019 and February 3, 2020.

Ferraro, Maria. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of May 11, June 9, July 9 and 23, and September 25, 2020.

Thomas, Ralf. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and November 4, 2019.

Rosenfeld, Klaus. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions including Schaeffler AG, where he holds the post as CEO, were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of March 26 and June 17 2020, and it happened also in the meetings of the Board of Directors of November 4, 2019 and February 3, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Davis, Lisa. According to the procedure established in article 31 of the Regulations of the Board of Directors of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 4 and 27, and December 17, 2019 and February 3, 2020, and it happened also in the meetings of the Board of Directors of October 24 and December 16, 2019, where she was represented by a proxy and her proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

Hoffmann, Andreas C. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17 and September 16, 2020, and it happened also in the meeting of the Board of Directors of July 29, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

32. Remuneration of Top Management

Excluding those who are simultaneously members of the Board of Directors (whose remuneration is detailed in the Note 31), the compensation for the year, paid or payable, to members of Top Management for employment services rendered before the closing of the years 2020 and 2019 is disclosed in the following table:

Thousands of euros	2020	2019
Compensation received by the Top Management	6,514	6,752
Total	6,514	6,752

Likewise, deriving from their previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), certain members of the Top Management have recognized rights on shares of SIEMENS derived from incentives granted before the Merger to be paid in cash during the next years. During this year the payment to members of Top Management (one of which has ceased the position before the year ended) has amounted to EUR 483 thousand (EUR 261 thousand in the fiscal year 2019).

Also, the remunerations to the Top Management, do not include, as of September 30, 2020 and 2019, the provision accrued for the three cycles of the Long-Term Incentive Plan 2018-2020 in the amount of EUR 1,310 thousand and EUR 762 thousand, respectively. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the FY2018 Cycle objectives of the Long-Term Incentive Plan, which will result in the delivery of: 58,766 shares to the Top Management. These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 1,387 thousand. This amount does not correspond to the cost accrued for accounting purposes in accordance with IFRS 2, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Contributions to pension Plans have been made in amount of EUR 221 thousand and EUR 200 thousand included as remuneration in the table above, as of September 30, 2020 and 2019, respectively.

During fiscal years 2020 and 2019, there have been no transactions with Top Management other than those carried out in the ordinary course of the business.

33. Earnings per share

As of September 30, 2020, the average number of ordinary shares used for the calculation of earnings per share is 679,517,035 (679,490,974 average number of ordinary shares as of September 30, 2019), given that SIEMENS GAMESA has held a weighted average of 1,626,347 treasury shares (1,652,408 as of September 30, 2019).

The basic earnings per share from continuing operations attributable to the parent company as of September 30, 2020 and 2019 is as follows:

	09.30.2020	09.30.2019
Net profit from continuing operations attributable to the parent company (thousands of euros)	(918,178)	140,002
Average number of outstanding shares	679,517,035	679,490,974
Total basic earnings per share (euros)	(1.35)	0.21

As of September 30, 2020 and 2019, SIEMENS GAMESA, the parent company of SIEMENS GAMESA Group, had not issued financial instruments or other contracts that entitle the holder thereof to receive ordinary shares of the Company. Consequently, diluted earnings per share coincide with basic earnings per share.

34. Information regarding the deferral of payments made to suppliers

In accordance with the requirement of the Resolution of January 29, 2016, of the Accounting and Audit Institute in Spain, about the information to include in the notes to the Financial Statements related to the deferral of payments made to suppliers in commercial operations.

The average payment period to suppliers in the fiscal year 2020 and 2019 is the following:

Days	2020	2019
Average payment period	64	55
Settled operations ratio	63	51
Pending operations ratio	75	97
Thousands of euros	2020	2019
Total settled payments	1,317,536	1,546,373
Total pending payments	90,043	148,538

This average payment period refers only to the suppliers of the Spanish companies included in the consolidation scope of SIEMENS GAMESA, where the nature of transactions is that of trade payables for the supply of goods and services, and is therefore related to amounts included in the line items "Trade payables", "Payables to SIEMENS ENERGY Group" ("Payables to SIEMENS Group as of September 30, 2019) and "Other current liabilities" of the current liabilities of the Consolidated Balance Sheet.

The Group has implemented measures in place to continue adjusting the average payment period, in order to meet the payment terms established in the current legislation.

35. Fees for the services rendered by the auditors of the Financial Statements

During the fiscal years 2020 and 2019 the fees for the financial audit and other services provided by the auditor of the Group's Consolidated Financial Statements and the fees invoiced by the auditors of the separate Statutory Financial Statements of the companies included in the consolidation, and by entities related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

Thousands of euros	2020	
	Services rendered by EY	Services provided by other audit firms
Audit services	4,449	23
Attest services related to the audit	235	-
Other attest services	291	-
Total audit and related services	4,975	23
Tax advisory services	-	-
Other services	-	-
Total other services	-	-
Total professional services	4,975	23

Thousands of euros	2019	
	Services rendered by EY	Services provided by other audit firms
Audit services	4,044	14
Attest services related to the audit	235	-
Other attest services	313	-
Total audit and related services	4,592	14
Tax advisory services	-	-
Other services	-	-
Total other services	-	-
Total professional services	4,592	14

Out of the amount related to the services rendered by the main auditor, EUR 962 thousand correspond to audit services and attest services related to the audit provided to SIEMENS GAMESA in the fiscal year 2020 (EUR 880 thousand in the fiscal year 2019). The attest services related to the audit mentioned in the previous table, correspond to SIEMENS GAMESA in its entirety. Likewise, taking into account the corresponding amount related

to other attest services provided by the main auditor, EUR 135 thousand correspond to SIEMENS GAMESA in the fiscal year 2020 (EUR 251 thousand in the fiscal year 2019).

36. Subsequent events

No significant events have occurred since the end of the fiscal year until the date of issuance of these Consolidated Financial Statements.

37. Explanation added for translation to English

These Financial Consolidated Statements are presented on the basis of IFRS, as adopted by the European Union. Certain accounting practices applied by the Group that conform to IFRS may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Appendix Siemens Gamesa Company List - 09/30/2020

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
A) FULLY CONSOLIDATED COMPANIES							
Jalore Wind Park Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Mithak Wind Farms Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Trigun Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Beed Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Tuljapur Wind Farms Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Rangareddy Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Nellore Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Gamesa Wind GmbH	Holding company	-	Germany	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Gadag Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Channapura Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Kutch Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Wind Power SpA	Service and distribution company	EY	Chile	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Adwen Blades GmbH	Production and distribution company	EY	Germany	100%	Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	100%
Siemens Gamesa Renewable Energy Pty Ltd	Service and distribution company	EY	Australia	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy d.o.o.	Service and distribution company	EY	Croatia	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Uppal Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy GmbH	Service and distribution company	-	Austria	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
International Wind Farm Development IV Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Deutschland GmbH ⁽¹⁾	Holding company	EY	Germany	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Eolica, S.L.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Canada	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Japan K.K.	Service company	EY	Japan	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
International Wind Farm Development I Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Sierra de Valdefuentes, S.L.U.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
International Wind Farm Development II Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy PA, LLC	Other	EY	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
International Wind Farm Development VII Limited	Holding company	-	Hong Kong	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Singapore Private Limited	Service company	-	Singapore	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	Production and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Thailand	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	55%
Sistemas Energéticos de Tarifa, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos La Cámara, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Offshore Wind Limited	Project company	-	Taiwan, Province of China	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Sp. z o.o.	Production and distribution company	EY	Poland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Estructuras Metálicas Singulares, S.A. Unipersonal	Production and distribution company	-	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY (PTY) LTD	Production and distribution company	EY	South Africa	70%	Siemens Gamesa Renewable Energy, S.A.	Spain	70%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	-	Korea, Republic of	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERJJI ANONIM SIRKETI	Production and distribution company	EY	Turkey	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Sistemas Energéticos Finca San Juan, S.L.U.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Iberica S.L.	Production and distribution company	EY	Spain	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	Philippines	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy S.A.S.	Service and distribution company	EY	France	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy NV	Service and distribution company	EY	Belgium	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy B.V.	Production and distribution company	EY	Netherlands	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Gamesa Energy Transmission, S.A. Unipersonal	Production company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY S.A.S.	Project Company	-	Colombia	100%	Siemens Gamesa Renewable Energy Latam, S.L.	Spain	100%
Siemens Gamesa Renewable Energy S.A.C.	Production and distribution company	-	Peru	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY INSTALLATION & MAINTENANCE COMPAÑIA LIMITADA	Service and distribution company	-	Guatemala	100%	Siemens Gamesa Renewable Energy Latam, S.L.	Spain	99%
Siemens Gamesa Renewable Energy AB	Production and distribution company	EY	Sweden	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Maindrie S.A.R.L.	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gudadanal Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Sistemas Energéticos La Plana, S.A.	Project company	Attest	Spain	90%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	90%
Haveri Renewable Power Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Limited	Production and distribution company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Nircozi Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Garr Grupo Energético XXI, S.A. Unipersonal	Holding company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Neelagund Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Kt.	Production and distribution company	EY	Hungary	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Hungund Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Ireland	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Sistemas Energéticos del Sur S.A.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Saunshi Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Italia S.r.l.	Production and distribution company	EY	Italy	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Pouilly-sur-Vingeanne S.A.R.L.	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Chikkodi Renewable Power Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Umran Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
SIEMENS GAMESA RENEWABLE ENERGY AS	Production and distribution company	EY	Norway	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gesta Renewables Energy Services S. de R.L. de C.V.	Service company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Europa S.L.	Spain	99%
Zalki Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Sistemas Energéticos Monte Genaro, S.L.U.	Project company	-	Spain	60%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	60%
Hattarwat Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	United States	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Europa S.L.	Holding company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
Siemens Gamesa Renewable Energy LLC	Service company	-	Ukraine	100%	Siemens Gamesa Renewable Energy Europa S.L.	Spain	99%
Cedar Cap Wind, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Société d'Exploitation du Parc Eolien de Vernierfontaine SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Messeix SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Gesa Oax I Sociedad Anonima de Capital Variable	Project company	EY	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	100%
Siemens Gamesa Renewable Energy Engineering Centre Private Limited	Production and distribution company	EY	India	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de la Belle Dame SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Gesa Oax III Sociedad Anonima de Capital Variable	Project company	-	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	100%
Siemens Gamesa Energy Tajdipazir SSK	Service and distribution company	-	Iran, Islamic Republic of	100%	Siemens Gamesa Renewable Energy AS	Denmark	100%
Sistemas Energéticos Cuerta Gitana, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Gesa Oax IV Sociedad de Responsabilidad Limitada de Capital Variable	Project company	EY	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	100%
Sistemas Energéticos Loma del Reposo, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Champlong SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Broys SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy SARL	Production and distribution company	-	Morocco	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	99%
Sistemas Energéticos Sierra de Las Estancias, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Viet Nam	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Sistemas Energéticos Cuntis, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Sistemas Energéticos Tomillo, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy (Private) Limited	Other	-	Pakistan	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Windkraft Trimmwäldchen Entwicklungsgesellschaft mbH	Project company	-	Germany	100%	Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	100%
Société d'Exploitation du Parc Eolien des Fontaines SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Sistemas Energéticos Tablero Taborado, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Camli, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
CARMODY'S HILL INVESTMENT COMPANY PTY LTD	Project company	-	Australia	100%	Siemens Gamesa Renewable Energy Pty Ltd	Australia	100%
Sistemas Energéticos Fonseca, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Argafoso, S.L. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Pocahontas Prairie Holdings, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Siemens Gamesa Renewable Energy AS	Production and distribution company	EY	Denmark	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Diversified Energy Transmission, LLC	Development and distribution company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Siemens Gamesa Renewable Energy Wind Farms, S.A.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Champvevraine, SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy International Wind Services, S.A.	Other	EY	Spain	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
International Wind Farm Developments IX, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Innovation & Technology, S.L.	Research and development company	EY	Spain	100%	Siemens Gamesa Renewable Energy S.L.	Spain	100%
Lindom Vindenergy AB	Project company	-	Sweden	100%	Siemens Gamesa Renewable Energy AB	Sweden	100%
Siemens Gamesa Renewable Energy Wind Limited	Holding company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy UK Limited	Project company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY, S.R.L.	Service company	-	Costa Rica	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Margry SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy AE	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY, S.A.	Service company	-	Honduras	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Sistemas Energéticos Mansilla, S.L.	Project company	-	Spain	78%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	78%
Adwen Offshore, S.L.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Parque Eólico Dos Picos, S.L.U.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Service GmbH	Service company	EY	Germany	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Egypt LLC	Service and distribution company	EY	Egypt	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Siemens Gamesa Renewable Energy B9 Limited	Service company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Wind Limited	United Kingdom	100%
Siemens Gamesa Renewable Energy iREN, S.L.	Service company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	51%
Sistemas Energéticos Cabezo Negro, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy Invest. S.A.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Wind Portfolio Memberco, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Société d'Exploitation du Parc Eolien d'Omécourt SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
International Wind Farm Developments II, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gesa Renewable Energy, S.A. de C.V.	Project company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Russian Federation	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Gamesa Renewable Energy Limited Liability Company	Service company	-	Azerbaijan	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Gamesa Renewable Energy Wind SARL	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Balazote, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy EOOD	Service company	EY	Bulgaria	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Megújuló Energia Hungary Kft	Service company	EY	Hungary	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Ecofarmery West Wind, LLC	Project company	-	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
GER Banessa, S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	95%
Siemens Gamesa Renewable Energy Djibouti SARL	Service and distribution company	-	Djibouti	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	Real Estate company	-	Germany	100%	Siemens Gamesa Renewable Energy, S.A.	Spain	100%
Sellafrith Renewable Energy Park Limited	Project company	-	United Kingdom	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Ladera Negra, S.A. Unipersonal	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Romania S.R.L.	Service company	EY	Romania	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Gamesa Renewable Power Private Limited	Holding company	EY	India	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	90%
Société d'Exploitation du Parc Eolien de Saint-Lumier en Champagne SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Gamesa Dominicana, S.A.S.	Service company	EY	Dominican Republic	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Société d'Exploitation du Parc Eolien de Saint Amand SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
Siemens Gamesa Renewable Energy Wind Farms S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	99%
Siemens Gamesa Renewable Energy Australia Pty Ltd	Service company	-	Australia	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de la Monchoy SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%
GER Independenta, S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	95%
Gascasca Desarrolladora, S.A. de C.V.	Project company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	88%
Société d'Exploitation du Parc Eolien du Mont Égaré SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest. S.A.	Spain	100%

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
Gamesa Eólica VE, C.A.	Service company	-	Venezuela, Bolivarian Republic of	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
ENERGIAKI MAVROVOUNIOU IDIOTIKI KEFALEOUCHEKI ETERIA	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Sistemas Energéticos Arnaga, S.A. Unipersonal	Project company	-	Spain	100%	Adwen Offshore, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Mailly-le-Camp SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Smardzewo Windfarm Sp. z o.o.	Project company	-	Poland	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Osiek Sp. z o.o. w Likwidacji	Project company	-	Poland	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de la Brié des Etangs SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Ireland Limited	Service company	EY	Ireland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Sistemas Energéticos Boyal, S.L.	Project company	-	Spain	60%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	60%
Siemens Gamesa Renewable Energy Wind S.R.L.	Service company	EY	Italy	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
GFR Baraganu, S.R.L.	Service company	-	Romania	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	95%
Siemens Gamesa Energia Renovável Ltda.	Distribution and service company	EY	Brazil	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY PROJECTS PRIVATE LIMITED	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Lingbo SPW AB	Project company	EY	Sweden	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Kadapa Wind Farms Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy, Sociedad Anónima	Service company	-	Nicaragua	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Kurnool Wind Farms Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Project company	EY	Mexico	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Souvans SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Ltd	Service company	EY	Israel	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
RSR Power Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Rajgarh Windpark Private Limited	Development and distribution company	-	India	99%	Siemens Gamesa Renewable Power Private Limited	India	99%
SIEMENS GAMESA YENILENEBILIR ENERJIKI VE DIS TICARET LIMITED SIRKETI	Service and distribution company	-	Turkey	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Champeaux SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Pringy SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Makki Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
ENERGIAKI VELANDIAS SINGLE MEMBER ANONYMOS ETARIA	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy New Zealand Limited	Service company	-	New Zealand	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Gangavathi Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
ENERGIAKI MESOVOUNIOU SINGLE MEMBER ANONYMOS ETARIA	Project company	-	Greece	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Kanigiri Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V.	Service company	-	Mexico	100%	Siemens Gamesa Renewable Energy Europa S.L.	Spain	99%
Siemens Gamesa Renewable Energy France SAS	Other	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Kollapur Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Gesan I S.A.P.I de C.V.	Other	-	Mexico	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	75%
Société d'Exploitation du Parc Eolien de Chaintrix-Bierges SARL	Other	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Jamkandi Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Digital Services, S.L.	Service company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Morocco SARL	Other	-	Morocco	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Société d'Exploitation du Parc Photovoltaïque de Messeix SARL	Other	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Rayachoty Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Service Limited	Service company	EY	United Kingdom	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
SIEMENS GAMESA RENEWABLE ENERGY SWEDEN AB	Other	EY	Sweden	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Shivamogga Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Ria Blades S.A.	Production company	EY	Portugal	100%	Siemens Gamesa Renewable Energy, S.A.	Portugal	100%
Siemens Gamesa Renewable Energy Limited	Other	EY	Kenya	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Société d'Exploitation du Parc Eolien de Bouclans SARL	Other	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Nandikeshwar Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Service S.A.S.	Service company	EY	France	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy (Thailand) Co., Ltd.	Other	EY	Thailand	100%	Siemens Gamesa Renewable Energy Limited	Thailand	100%
Sindhuan Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Service S.R.L.	Service company	EY	Italy	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy Letam, S.L.	Other	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Pocahontas Prairie Wind, LLC	Other	EY	United States	100%	Siemens Gamesa Renewable Energy, Inc.	United States	100%
Vempalli Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Servion Austria GmbH	Service company	EY	Austria	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Société d'Exploitation du Parc Eolien de la Garterpe SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Service Sp.z.o.o	Service company	EY	Poland	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy Oy	Service company	EY	Finland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Anantapur Wind Farms Private Limited	Development and distribution company	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Servion Scandinavia AB	Service company	EY	Sweden	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Société d'Exploitation du Parc Eolien de Villiers-aux-Chênes SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien des Voies de Bar SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy II Service Unipessoal, Lda.	Service company	EY	Portugal	100%	Siemens Gamesa Renewable Energy Service GmbH	Germany	100%
Siemens Gamesa Renewable Energy Sp. z o.o.	Project company	EY	Poland	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de la Pièce du Moulin SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Gamesa Wind South Africa (Proprietary) Limited	Service company	-	South Africa	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Tréport SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Apac, S.L.	Holding company	EY	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Gamesa Renewable Energy d.o.o. Beograd - Stari Grad	Service company	-	Serbia	100%	Servion Austria GmbH	Austria	100%
Central Eólica de México S.A. de C.V.	Project company	EY	Mexico	100%	Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Mexico	60%
Société d'Exploitation du Parc Eolien des Six Communes SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, S.A.	Project company	EY	Portugal	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	MAYORITY SHAREHOLDER	LOCATION OF MAIN SHAREHOLDER	DIRECT OWNERSHIP OF MAIN SHAREHOLDER
Siemens Gamesa Renewable Energy (Beijing) Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY SARL	Service and distribution company	-	New Caledonia	100%	Siemens Gamesa Renewable Energy Apac, S.L.	Spain	100%
Gamesa Electric, S.A. Unipersonal	Production company	EY	Spain	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Sceaux SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, Ltd	Service company	EY	Mauritius	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Société d'Exploitation du Parc Eolien de Guerfand SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Vaudrey SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien d'Orchamps SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
SPV Parco Eolico Aria del Vento, Srl	Project company	-	Italy	100%	Siemens Gamesa Renewable Energy Italy, S.P.A.	Italy	100%
Société d'Exploitation du Parc Eolien du Vireaux SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Dampierre Prudemanche SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Orge et Omain SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Ganquan Chaijianshan Wind Power Co., Ltd.	Other	-	China	100%	International Wind Farm Development IV Limited	Hong Kong	100%
Parco Eolico Manca Venarda S.r.l.	Project company	EY	Italy	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Yongzhou Shuangpai Daguping Wind Power Co., Ltd.	Other	-	China	100%	International Wind Farm Development II Limited	Hong Kong	100%
Société d'Exploitation du Parc Eolien de Germainville SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Moulins du Puits SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Parco Eolico Banzy S.r.l.	Project company	-	Italy	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Gamesa Blade (Tianjin) Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Shuangpai Majiang Wuxingling Wind Power Co., Ltd	Project company	-	China	100%	International Wind Farm Development VII Limited	Hong Kong	100%
Siemens Gamesa Renewable Energy Italy, S.P.A.	Service company	EY	Italy	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Lanka (Private) Limited	Service company	-	Sri Lanka	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Energéticos Eolo, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Chile SpA	Service company	-	Chile	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
lan Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Technology (China) Co., L	China	100%
Inner Mongolia Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	Siemens Gamesa Renewable Energy Technology (China) Co., L	China	100%
Siemens Energéticos Céfiru, S.L	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Bonboillon SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Siemens Energéticos Siroco, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Saint Loup de Saintonge SAS	Project company	EY	France	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Energéticos Boreas, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
SIEMENS GAMESA RENEWABLE ENERGY S.R.L.	Service company	EY	Uruguay	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	99%
Siemens Energéticos Argestes, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy Greece E.P.E.	Service company	EY	Greece	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Energéticos Terral, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Energéticos Abrego, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Siemens Gamesa Renewable Energy, SARL	Service company	Others	Mauritania	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Siemens Energéticos Gregel, S.L.	Project company	-	Spain	100%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de la Tête des Boucs SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
Société d'Exploitation du Parc Eolien de Chepniers SARL	Project company	-	France	100%	Siemens Gamesa Renewable Energy Invest, S.A.	Spain	100%
SANTALPUR RENEWABLE POWER PRIVATE LIMITED	Other	-	India	99%	Siemens Gamesa Renewable Power Private Limited	India	99%
Siemens Gamesa Renewable Energy Limited	Service company	EY	Cyprus	100%	Siemens Gamesa Renewable Energy Eolica, S.L.	Spain	100%
Fanbyn2 Vindenergi AB	Project company	-	Sweden	100%	Siemens Gamesa Renewable Energy AB	Sweden	100%
Devarabanda Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Ghatpimpri Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy Management GmbH	Other	-	Germany	100%	Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	100%
Poovani Wind Farms Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Kod Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Viralpatti Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
PT Siemens Gamesa Renewable Energy	Service and distribution company	-	Indonesia	95%	Siemens Gamesa Renewable Energy, S.A.	Spain	95%
Siemens Gamesa Renewable Energy Blades, SARL AU	Production and distribution company	-	Morocco	100%	Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	100%
Gagodar Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Thoothukudi Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Sankanur Renewable Energy Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Omanabad Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Dhone Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Siemens Gamesa Renewable Energy GmbH & Co. KG	Production and distribution company	EY	Germany	100%	Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	100%
Bhuj Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Bapuram Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
Koppal Renewable Private Limited	Other	-	India	100%	Siemens Gamesa Renewable Power Private Limited	India	100%
b) COMPANIES ACCOUNTED BY EQUITY METHOD							
Winder Renovables, S.L.	Production and distribution company	PWC	Spain	32%	Siemens Gamesa Renewable Energy, S.A.	Spain	32%
Energía Eólica de Mexico S.A. de C.V.	Project company	-	Mexico	50%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	50%
Siemens Electrica Esplugas, S.A.	Project company	-	Spain	50%	Gerr Grupo Energético XXI, S.A. Unipersonal	Spain	50%
Energias Renovables San Adrián de Juarros, S.A.	Project company	-	Spain	45%	Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	45%
Baja Wind US LLC	Venture Capital Investment	-	United States	50%	Siemens Gamesa Renewable Energy, Inc.	United States	50%
Energía Renovable del Istmo S.A. de C.V.	Operation of Wind Farms	-	Mexico	50%	Energía Eólica de Mexico S.A. de C.V.	Mexico	100%

(1) Exemption pursuant to Section 264 (3) German Commercial Law

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY, S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222, WITH EMPLOYER IDENTIFICATION NUMBER A -01011253.

HEREBY CERTIFY:

That the text of the consolidated annual accounts for 2020 of SIEMENS GAMESA RENEWABLE ENERGY, S.A., authorised for issue by the Board of Directors at its meeting held on November 27, 2020, is the content of the preceding 116 sheets of unstamped paper, on the obverse only, in respect of balance sheet, statement of profit and loss, statement of changes in equity, statement of other comprehensive income, statement of cash flows and the consolidated notes and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

Mr. Miguel Angel López Borrego
Chairman

**On his own name and on behalf of the Directors
Mr. Andreas Nauen, Ms. Mariel von Schumann,
Ms. Gloria Hernández García, Mr. Tim Oliver Holt,
Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms.
Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim
Dawidowsky.**

The Secretary of the Board of Directors states for the records:

- (i) that due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.
- (ii) that during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

Zamudio, November 27, 2020. In witness whereof

Approval of the Chairman

Mr. Miguel Ángel López Borrego
Chairman

Mr. Juan Antonio García Fuente
Secretary of the Board of Directors