



Consolidated Financial Statements

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Consolidated Statement of Profit or Loss

€ in millions	Notes	2022	2021
Revenue	3	14,218	11,060
Cost of goods sold	3	(8,087)	(6,800)
Gross profit		6,131	4,260
Research and development expenses	3	(1,798)	(1,448)
Selling, general and administrative expenses	3	(1,565)	(1,354)
Other operating income		129	64
Other operating expenses		(52)	(52)
Operating profit		2,845	1,470
Financial income	3	7	22
Financial expenses	3	(168)	(182)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	4	39	9
Profit (loss) from continuing operations before income taxes		2,723	1,319
Income taxes	5	(537)	(144)
Profit (loss) from continuing operations		2,186	1,175
Profit (loss) from discontinued operations, net of income taxes	6	(7)	(6)
Profit (loss) for the period		2,179	1,169
Attributable to:			
Shareholders and hybrid capital investors of Infineon Technologies AG		2,179	1,169
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹			
Basic earnings per share (in euro) from continuing operations	7	1.66	0.88
Basic earnings (loss) per share (in euro) from discontinued operations	7	(0.01)	(0.01)
Basic earnings per share (in euro)	7	1.65	0.87
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹			
Diluted earnings per share (in euro) from continuing operations	7	1.65	0.88
Diluted earnings (loss) per share (in euro) from discontinued operations	7	-	(0.01)
Diluted earnings per share (in euro)	7	1.65	0.87

¹ The calculation of earnings per share is based on unrounded figures.

Consolidated Statement of Comprehensive Income

€ in millions	Notes	2022	2021
	19		
Profit (loss) for the period		2,179	1,169
Actuarial gains (losses) on pensions and similar commitments		310	128
Total items that will not be reclassified subsequently to profit or loss		310	128
Foreign currency translation differences		1,369	90
Net change in fair value of hedging instruments		4	64
Total items that may be reclassified subsequently to profit or loss		1,373	154
Other comprehensive income (loss), net of tax		1,683	282
Total comprehensive income (loss), net of tax		3,862	1,451
Attributable to:			
Shareholders and hybrid capital investors of Infineon Technologies AG		3,862	1,451

Consolidated Statement of Financial Position

€ in millions	Notes	30 September 2022	30 September 2021
ASSETS			
Cash and cash equivalents		1,438	1,749
Financial investments	8	2,279	2,173
Trade receivables	9	1,887	1,483
Inventories	10	3,081	2,181
Current income tax receivables	5	58	57
Contract assets		85	82
Other current assets	11	625	518
Assets classified as held for sale		–	9
Total current assets		9,453	8,252
Property, plant and equipment	12	5,545	4,443
Goodwill	13	7,083	5,962
Other intangible assets	12	3,483	3,349
Right-of-use assets	14	405	336
Investments accounted for using the equity method	4	100	71
Non-current income tax receivables	5	2	1
Deferred tax assets	5	527	695
Other non-current assets	26	314	225
Total non-current assets		17,459	15,082
Total assets		26,912	23,334

€ in millions	Notes	30 September 2022	30 September 2021
LIABILITIES AND EQUITY			
Short-term financial debt and current portion of long-term financial debt	15	752	833
Trade payables		2,260	1,569
Current provisions	16	983	815
Current income tax payables	5	356	288
Current lease liabilities	14	76	66
Other current liabilities	17	1,161	872
Total current liabilities		5,588	4,443
Long-term financial debt	15	4,910	5,752
Pensions and similar commitments	18	297	617
Deferred tax liabilities	5	371	324
Other non-current provisions	16	289	319
Non-current lease liabilities	14	310	265
Other non-current liabilities	26	203	213
Total non-current liabilities		6,380	7,490
Total liabilities		11,968	11,933
Equity:	19		
Ordinary share capital		2,612	2,612
Additional paid-in capital		6,579	6,513
Retained earnings		3,506	1,407
Other reserves		1,067	(306)
Own shares		(23)	(28)
Hybrid capital		1,203	1,203
Total equity		14,944	11,401
Total liabilities and equity		26,912	23,334

Consolidated Statement of Cash Flows

€ in millions	Notes	2022	2021	€ in millions	Notes	2022	2021
	25						
Profit (loss) for the period		2,179	1,169	Purchases of financial investments	8	(5,605)	(4,275)
Plus: profit (loss) from discontinued operations, net of income taxes		7	6	Proceeds from sales of financial investments	8	5,502	3,480
Adjustments to reconcile profit (loss) for the period to cash flows from operating activities:				Acquisitions of businesses, net of cash acquired		(36)	(19)
Depreciation and amortization	12, 14	1,664	1,513	Proceeds from sales of businesses and interests in subsidiaries, net of cash disbursed		-	13
Income tax	5	537	144	Investments in related companies		(8)	-
Interest result	3	131	150	Purchases of other intangible assets and other assets	12	(257)	(229)
Gains on disposals of property, plant and equipment		(12)	(5)	Purchases of property, plant and equipment	12	(2,053)	(1,268)
Dividends received	4	6	4	Proceeds from sales of property, plant and equipment and other assets		16	14
Impairments/reversals of impairments	12, 13, 28	24	12	Cash flows from investing activities		(2,441)	(2,284)
Share-based payment	21	62	27	Net change in related party financial receivables and payables	24	-	2
Other non-cash result		(45)	(22)	Proceeds from issuance of long-term financial debt	15	500	1,084
Change in trade receivables	9	(307)	(279)	Repayments of long-term financial debt	15	(1,893)	(1,570)
Change in inventories	10	(766)	(121)	Payments for lease liabilities	14	(84)	(76)
Change in trade payables		640	407	Change in cash deposited as collateral		(2)	-
Change in provisions	16	89	372	Dividend payments	19	(351)	(286)
Change in other assets and other liabilities		266	11	Cash outflow to hybrid capital investors	19	(39)	(39)
Interests received	3	10	3	Cash flows from financing activities		(1,869)	(885)
Interests paid	3	(149)	(148)	Net change in cash and cash equivalents		(330)	(104)
Income taxes paid	5	(350)	(180)	Effect of foreign exchange rate changes on cash and cash equivalents		19	2
Cash flows from operating activities from continuing operations		3,986	3,063	Cash and cash equivalents at beginning of period		1,749	1,851
Cash flows from operating activities from discontinued operations		(6)	2	Cash and cash equivalents at end of period		1,438	1,749
Cash flows from operating activities		3,980	3,065				

Consolidated Statement of Changes in Equity

for the fiscal year ended 30 September 2022

	Notes	Share capital	Capital reserves	Retained earnings	Other reserves		Own shares	Equity attributable to shareholders of Infineon Technologies AG	Equity attributable to hybrid capital investors	Total equity
					Foreign currency translation differences	Hedges				
€ in millions										
Balance as of 1 October 2021		2,612	6,513	1,407	(309)	3	(28)	10,198	1,203	11,401
Total comprehensive income (loss), net of tax										
Profit (loss) for the period		-	-	2,140	-	-	-	2,140	39	2,179
Other comprehensive income (loss), net of tax		-	-	310	1,369	4	-	1,683	-	1,683
Total comprehensive income (loss), net of tax		-	-	2,450	1,369	4	-	3,823	39	3,862
Transactions with owners										
Contributions by and distributions to owners										
Dividends	19	-	-	(351)	-	-	-	(351)	-	(351)
Share-based payment	21	-	57	-	-	-	-	57	-	57
Disposal (purchase) of own shares	19	-	-	-	-	-	5	5	-	5
Other contributions and distributions	19	-	9	-	-	-	-	9	-	9
Total contributions by and distributions to owners		-	66	(351)	-	-	5	(280)	-	(280)
Total transactions with owners		-	66	(351)	-	-	5	(280)	-	(280)
Transactions with hybrid capital investors										
Compensations to hybrid capital investors	19	-	-	-	-	-	-	-	(39)	(39)
Total transactions with hybrid capital investors		-	-	-	-	-	-	-	(39)	(39)
Balance as of 30 September 2022		2,612	6,579	3,506	1,060	7	(23)	13,741	1,203	14,944

Consolidated Statement of Changes in Equity

for the fiscal year ended 30 September 2021

	Notes	Share capital	Capital reserves	Retained earnings	Other reserves		Own shares	Equity attributable to shareholders of Infineon Technologies AG	Equity attributable to hybrid capital investors	Total equity
					Foreign currency translation differences	Hedges				
€ in millions										
Balance as of 1 October 2020		2,612	6,462	435	(399)	(61)	(33)	9,016	1,203	10,219
Total comprehensive income (loss), net of tax										
Profit (loss) for the period		-	-	1,130	-	-	-	1,130	39	1,169
Other comprehensive income (loss), net of tax		-	-	128	90	64	-	282	-	282
Total comprehensive income (loss), net of tax		-	-	1,258	90	64	-	1,412	39	1,451
Transactions with owners										
Contributions by and distributions to owners										
Dividends	19	-	-	(286)	-	-	-	(286)	-	(286)
Share-based payment	21	-	24	-	-	-	-	24	-	24
Disposal (purchase) of own shares	19	-	-	-	-	-	5	5	-	5
Other contributions and distributions	19	-	27	-	-	-	-	27	-	27
Total contributions by and distributions to owners		-	51	(286)	-	-	5	(230)	-	(230)
Total transactions with owners		-	51	(286)	-	-	5	(230)	-	(230)
Transactions with hybrid capital investors										
Compensations to hybrid capital investors	19	-	-	-	-	-	-	-	(39)	(39)
Total transactions with hybrid capital investors		-	-	-	-	-	-	-	(39)	(39)
Balance as of 30 September 2021		2,612	6,513	1,407	(309)	3	(28)	10,198	1,203	11,401

Notes to the Consolidated Financial Statements

The Infineon Group (“Infineon”), comprising Infineon Technologies AG (hereafter also referred to as “the Company”) and its direct and indirect subsidiaries, designs, develops, manufactures and markets a broad range of semiconductors and related system solutions. The focus of activities is on the key markets ranging from automotive to industrial and consumer-related segments. The product spectrum ranges from standard components, through to special components for digital, analog as well as mixed-signal applications, and to customer-specific solutions together with the appropriate software. Research and development sites, manufacturing facilities, investments and customers are located mainly in Europe, Asia and North America.

Infineon Technologies AG is a listed company under German law and the ultimate parent company of Infineon. The principal office of the Company is Am Campeon 1–15, 85579 Neuburg (Germany). The Company is registered in the Commercial Register of the local court of Munich (Germany) under the number HRB 126492.

1 Basis of the Consolidated Financial Statements

The Consolidated Financial Statements, prepared by Infineon Technologies AG as the ultimate parent company for the year ended 30 September 2022, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and related interpretations effective as of 30 September 2022 as issued by the International Accounting Standards Board (“IASB”) to the extent to which the IFRS and interpretations have been endorsed by the European Union (“EU”). The Consolidated Financial Statements also comply with the supplementary requirements set out in section 315e, paragraph 1, of the German Commercial Code (“Handelsgesetzbuch” or “HGB”). The aforementioned standards were complied with in full.

The Consolidated Statement of Profit or Loss is presented using the cost of sales method.

The fiscal year-end for both Infineon and the Company is 30 September of each year.

The Group’s reporting currency is the euro (“€”).

Deviations between amounts presented are possible due to rounding. Negative amounts are presented in parentheses.

The Company’s Management Board presented the Consolidated Financial Statements on 21 November 2022.

Financial reporting rules applied for the first time

The IASB has issued the following Standards or amendments to Standards, which are required to be applied in the Consolidated Financial Statements for the year ended 30 September 2022:

Standard/amendment/interpretation	Effective date	Impact on Infineon
IFRS 4 Extension to the temporary exemption from applying IFRS 9 (amendments to IFRS 4)	1 January 2021	none
IFRS 16 Rent concessions related to the Coronavirus pandemic (amendment to IFRS 16) – extension	1 April 2021	immaterial
Interest rate benchmark reform (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) – Phase 2	1 January 2021	none

Financial reporting rules issued not yet applied

The following new or amended Standards have been issued by the IASB and will be relevant to Infineon from today's perspective. They have not been applied in the Consolidated Financial Statements as of 30 September 2022 since they are not yet mandatory or, alternatively, have not yet been endorsed by the EU. The new or amended Standards are applicable for fiscal years beginning on or after their respective effective date. As a general rule, they are not applied before their effective date, even if this is permitted for certain Standards.

Standard/amendment/interpretation	Effective date	Impact on Infineon
IAS 1 Classification of liabilities as current or non-current (amendments to IAS 1)	1 January 2024	none
IAS 1 Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	immaterial
IAS 8 Definition of accounting estimates (amendments to IAS 8)	1 January 2023	none
IAS 12 Deferred tax relating to assets and liabilities arising from a single transaction (amendments to IAS 12)	1 January 2023	none
IAS 16 Property, plant and equipment — income before intended use (amendments to IAS 16)	1 January 2022	none
IAS 37 Onerous contracts — costs of fulfilling a contract (amendments to IAS 37)	1 January 2022	immaterial
IFRS 3 References to the conceptual framework	1 January 2022	none
IFRS 16 Lease liability in a sale and leaseback (amendments to IFRS 16)	1 January 2024	none
IFRS 17 Insurance contracts including amendments to IFRS 17	1 January 2023	none
Annual IFRS improvement cycle 2018–2020	1 January 2022	none

2 Summary of significant accounting policies

Basis of consolidation

The Consolidated Financial Statements presented here include the individual financial statements of Infineon Technologies AG and its direct and indirect subsidiaries on a consolidated basis. A subsidiary is defined as an entity which, directly or indirectly, is controlled by Infineon Technologies AG.

Control exists when Infineon is subjected to variable returns arising from its engagement with the subsidiary or has a right to such and has the ability to influence these returns as a result of its power over the subsidiary. Power means that Infineon has existing rights that give Infineon the ability to direct the relevant activities of the subsidiary, that is the activities that significantly affect the aforementioned returns.

An entity is included in the Consolidated Financial Statements from the date on which Infineon acquires control. Upon first-time consolidation of an entity, the acquired assets and assumed liabilities are basically measured on the basis of their fair value at the acquisition date. Any excess of consideration paid (purchase price) over the share of the fair value of acquired assets, liabilities and contingent liabilities is recognized as goodwill. After re-examination, any excess of Infineon's share of the fair value of items acquired over consideration paid is recognized as a gain.

The financial statements of entities included in the Consolidated Financial Statements are prepared using uniform valuation and accounting policies.

The balance sheet effects of intragroup transactions as well as gains and losses arising from intragroup business relationships are eliminated on consolidation.

A list of subsidiaries of Infineon Technologies AG is provided in note 29. [p. 157 ff.](#)

In the absence of control over an entity, but the entity is a joint venture or an associated company, these are included in the Consolidated Financial Statements using the equity method (see note 4, [p. 104 f.](#)). Where objective indications of impairment in the carrying amount of an equity-based investment are present, an impairment test is carried out. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in financial expenses.

Functional currency and foreign currency translation

The functional currency of Infineon Technologies AG is the euro.

Foreign currency transactions of subsidiaries are translated into the functional currency of the relevant entity using the spot rate prevailing at the transaction date. Monetary foreign currency assets and liabilities are translated at the spot rate prevailing at the reporting date. Exchange rate gains and losses from the translation of foreign currency transactions are recognized in the Consolidated Statement of Profit or Loss.

The assets and liabilities of subsidiaries with functional currencies other than the euro are translated into euros using the spot rate at the end of the reporting period. Income and expenses of these entities are translated using the average spot rate of the reporting period. All currency translation differences resulting from the consolidation are recognized directly in equity and presented as “Other reserves”.

Recognition and measurement principles

Cash and cash equivalents

Cash and cash equivalents represent cash and all financial resources with a maturity at acquisition date of three months or less. Cash equivalents partly include investments in money market funds. The valuation is recorded at amortized acquisition cost or at fair value through profit or loss.

Financial instruments

Financial instruments are initially recognized at their fair value. Transaction costs directly attributable to the acquisition or issuance of financial instruments are only included in the carrying amount if the financial instruments are not measured at fair value through profit or loss.

Trade receivables are recognized based on the amount to which Infineon has an unconditional right to receive. With the exception of matters which result in a partial refund of the purchase price to the customer, this corresponds to the transaction price determined in accordance with IFRS 15. The subsequent measurement of trade receivables is carried out at amortized cost.

Purchases and sales of financial assets are recognized on the settlement date.

Financial assets are derecognized when the rights to receive payments from the investments have expired or have been transferred and Infineon has transferred all risks and rewards associated with ownership. Financial liabilities are derecognized when they are extinguished, that is, when the contractual obligation is discharged, canceled or expired.

Financial assets

› Classification and measurement of financial assets

Upon initial recognition, financial assets are classified for subsequent measurement either as at amortized cost, fair value through other comprehensive income or fair value through profit or loss. This classification depends on the characteristics of the contractual cash flows of the financial assets and Infineon's business model for managing its financial assets.

Infineon's business model for managing financial asset portfolios reflects how the company controls its financial assets in order to generate cash flows. Depending on the business model, cash flows arise from the receipt of contractual cash flows, the sale of financial assets or both.

In order for a financial asset in the form of a debt instrument to be classified and measured at amortized cost or at fair value through other comprehensive income, cash flows may only arise from the repayment of principal and interest payments on the outstanding principal amount. This assessment is referred to as a cash flow or SPPI test ("solely payments of principal and interest") and is carried out at the level of the individual financial instrument.

On this basis, Infineon's financial asset measurement categories are as follows:

Financial assets measured at amortized cost include all assets whose contractual provisions result in cash flows at fixed times that represent only interest and principal repayments of the outstanding principal amount, provided that those assets are held with the intention of collecting the contractual cash flows expected over their respective duration. In subsequent periods, financial assets measured at amortized cost are measured using the effective interest method. Interest income, currency gains

and losses, impairments, and gains or losses from the derecognition of such financial assets are recognized through profit or loss.

As of the reporting date, Infineon did not hold any financial assets with the intention to collect contractual cash flows and to sell them. Therefore, there was no allocation of financial assets in the form of debt instruments to the category "fair value through other comprehensive income".

Financial assets in the form of debt instruments that are measured at fair value through profit or loss include all financial assets at Infineon whose cash flows are not exclusively interest payments and principal repayments.

At Infineon, financial assets in the form of equity instruments are consistently measured at fair value through profit or loss.

Net gains and losses, including interest and dividend income, from financial assets that are measured at fair value through profit or loss (debt and equity instruments) are recognized in the Consolidated Statement of Profit or Loss.

"Designated hedging instruments (cash flow hedges)" also belong to financial assets.

› Impairment of financial assets

Infineon determines an impairment charge for expected credit losses for financial assets in the form of debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The calculation of the expected future credit losses is generally determined by multiplying the probability of default by the carrying amount of the financial asset (exposure at default) and the expected loss ratio (loss given default).

Infineon determines impairments for expected credit losses primarily for cash and cash equivalents, financial investments, trade receivables, and contract assets. The expected credit losses are adjusted at each reporting date to reflect changes in credit risk since the instrument was first recognized.

For cash and cash equivalents and financial investments measured at amortized cost, Infineon determines credit losses expected in the next twelve months (twelve-month credit loss) in accordance with the general approach. Due to their short-term maturity, this corresponds to the expected credit losses over the entire term. Infineon rates the credit risk for cash and cash equivalents and financial investments as low. Infineon assumes that a financial asset has a low credit risk if it has an investment grade rating or a corresponding internal investment grade rating. In order to assess whether there has been a significant increase in credit risk since initial recognition, Infineon considers appropriate and robust information that is relevant and available without disproportionately high levels of effort. This includes both quantitative and qualitative information and analyses, which are based on the company's historical experience and a sound credit assessment as well as forward-looking information. Macroeconomic information is taken into account in the internal rating model (information on Infineon's financial risk management is included in note 27, [p. 143 ff.](#)). Irrespective of the above analysis, a significant increase in credit risk is assumed if a debtor is more than 30 days overdue with the settlement of a contractual payment.

For trade receivables and contract assets, Infineon recognizes credit losses that are expected over the entire term using a simplified procedure. The estimate of expected credit losses on trade receivables and contract assets is based primarily on the analysis of customer financial data, ratings, credit default spreads, past payment behavior of customers and forward-looking information.

In the case of objective indications that expected future cash flows are affected, a financial asset is classified as impaired (with impaired creditworthiness) and adjusted to its individual value. As a rule, this is the case for financial assets (unless it is a trade receivable) no later than 90 days after the due date. For trade receivables, the impaired creditworthiness is not determined automatically in the event of a payment overdue by more than 90 days but always on the basis of the individual assessment of credit management.

A default event occurs when Infineon concludes that the other party would most likely not be able to meet the payment obligations, or not in full.

Financial assets are partly or completely written off, together with previously recognized impairments, if there is no reasonable expectation of repayment. This is generally the case when Infineon finds that the debtor does not have assets or revenue sources that could generate sufficient cash flows to repay the amounts subject to derecognition. Even when financial assets are written off, Infineon continues to conduct enforcement measures to recover them. Amounts recovered are recognized in profit or loss.

Financial liabilities

Infineon classifies financial liabilities into the following categories: "Financial liabilities measured at fair value through profit and loss" and "Other financial liabilities". Furthermore, "Designated hedging instruments (cash flow hedges)" belong to financial liabilities.

Liabilities measured at fair value through profit or loss by Infineon include derivatives to hedge currency risks for which hedge accounting is not applied together with, as in previous years, conversion rights from convertible bonds that were acquired in the course of the acquisition of Cypress.

Upon initial recognition, other financial liabilities are measured at fair value after the deduction of transaction costs. In subsequent periods, they are measured at amortized cost using the effective interest method. The liabilities are derecognized when the contractual obligations are discharged, canceled or expired.

Designated hedging instruments (cash flow hedges)

Certain derivative financial instruments are used to hedge foreign currency and interest risks or risks of commodity price changes (such as gold prices) for firm commitments as well as expected and highly probable future transactions in order to minimize the associated risk (cash flow hedges).

Derivative financial instruments are measured at their fair value and included in “other current assets” or “other current liabilities”.

The effective portion of changes in the fair value of derivative financial instruments, determined in accordance with IFRS 9, that are designated as cash flow hedges and are part of hedging relationships that meet the criteria for hedge accounting is recognized directly in equity. The gain or loss relating to the ineffective portion is recognized in profit or loss. Amounts accumulated in equity are recycled in profit or loss in the periods in which the underlying hedged item affects profit or loss, or, if the expected transaction subsequently results in the recognition of a non-financial asset, included in the acquisition cost upon initial recognition.

When a hedging instrument expires or is sold, or when a hedging relationship no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity until the underlying transaction actually occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

Hybrid bonds

The recognition of a hybrid bond depends on the specific form of the instrument. A hybrid bond is measured and recognized in equity when certain conditions are jointly met. These include, but are not limited to, the fact that the hybrid bond has no final maturity date, that investors have no rights of termination, and that distributions are made at Infineon’s discretion. In this case, discounts, transaction costs, tax effects and the remuneration of hybrid investors are deducted directly from equity.

Inventories

Inventories are measured at the lower of historical acquisition or fully absorbed production cost – calculated using the weighted-average method – and net realizable value. Net realizable value corresponds to realizable sale proceeds under normal business conditions less estimated expected costs to complete and sell. Production cost comprises costs of material, production wages and an appropriate portion of attributable overheads, along with attributable depreciation and amortization on property, plant and equipment and other intangible assets. Overhead mark-ups are determined on the basis of normal capacity utilization levels.

Write-downs to net realizable value are recorded on inventories using a consistent approach throughout Infineon and are determined at product level for technically obsolete and slow-moving inventories on the basis of the amount of revenues expected to be generated by the relevant product.

Inventories include an asset resulting from sales with a right of return, representing Infineon’s right to recover products from customers upon payment of the reimbursement obligation (see “Revenue recognition”, [p. 98 ff.](#)). The valuation is made by reference to the previous book value of the products.

Contract assets

Contract assets are recognized if Infineon has fulfilled its performance obligations arising from contracts with customers and an unconditional entitlement to customer consideration does not yet exist.

At Infineon, contract assets result from revenue arising from over time revenue recognition for certain types of contracts, as well as from sales to some customers for whom Infineon maintains a consignment warehouse and where revenue is recorded at the time of delivery to the consignment warehouse, whereas the invoice is only issued at the time of withdrawal of the product by the customer.

Valuation adjustments for expected credit losses on contract assets are determined in accordance with the measurement method for trade receivables (see “Financial instruments”, [p. 92 ff.](#)).

Property, plant and equipment

Property, plant and equipment are measured at amortized acquisition or construction cost, and their value is reduced by depreciation and considering any impairment.

Depreciation on property, plant and equipment is recorded using the straight-line method. Land, property rights and construction in progress are not depreciated on a scheduled basis. Depreciation on property, plant and equipment is based on the following useful lives, as applied consistently throughout Infineon:

	Years
Buildings	25
Technical equipment and machinery	3 – 10
Other plant and office equipment	1 – 10

Other intangible assets

Other intangible assets consist of capitalized development costs and purchased intangible assets; for example, licenses, technologies and customer relationships. These assets have finite useful lives and are valued at their amortized acquisition or production costs, with amortization recorded using the straight-line method over their expected economic life.

Amortization of other intangible assets is based on the following useful lives:

	Years
Capitalized development costs	3 – 10
Customer relationships	1 – 12
Technologies	1 – 12
Licenses and similar rights	3 – 5
Remaining other intangible assets	3 – 12

Infineon did not hold any intangible assets with indefinite useful lives in either the 2022 or the 2021 fiscal year.

Recoverability of property, plant and equipment and intangible assets (including goodwill)

Infineon reviews non-current assets, including property, plant and equipment, goodwill and other intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Regardless of whether an indication of impairment exists, goodwill and other intangible assets, including capitalized development costs not yet subject to amortization, undergo an annual impairment test (see also “Research and development expenses”, [p. 100](#)). The impairment test for goodwill is carried out annually at the operating segment level.

The recoverability of an asset is measured by comparing its carrying amount with its recoverable amount. To the extent it is not possible to determine the recoverable amount of an individual asset, the book value of the cash generating unit to which the asset is allocated is compared to its recoverable amount.

A cash generating unit (“CGU”) represents the smallest identifiable group of assets that generates cash inflows from continuing activities and that are largely independent of the cash inflows from other assets or group of assets.

Goodwill arising in connection with a business combination is allocated to the CGUs or groups of CGUs that will benefit from the synergies generated by the business combination and the going concern element of the business operations acquired.

The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use. The value in use is calculated based on discounted future cash flows. Considerable management judgment is necessary to estimate future cash flows.

If an asset or CGU is considered to be impaired, the impairment recognized is measured as the amount by which the carrying value exceeds the recoverable amount.

Goodwill is impaired when the carrying amount of the operating segment to which goodwill is allocated exceeds the recoverable amount of that unit.

If the carrying amount of the respective operating segment to which goodwill is allocated exceeds the recoverable amount of this CGU, the goodwill is impaired accordingly.

In the case of property, plant and equipment or other intangible assets, if the recoverable amount of a CGU is less than the carrying value, the impairment is allocated pro rata to the assets recorded within the scope of IAS 36 therein. An impairment loss recognized in prior periods for property, plant and equipment or other intangible assets is reversed insofar as, since the last impairment, a change in the underlying assumptions has occurred, which leads to a lower impairment requirement. The maximum possible reversal of an impairment loss is that which would lead to the carrying amount that would have been determined (net of scheduled depreciation and amortization) if no impairment loss had been recognized for that asset in prior years. The reversal of impairments recognized on goodwill in subsequent periods is not permitted.

Leased assets

IFRS 16 defines a lease as a contract that conveys the right to use an identifiable asset over a specified period of time in exchange for consideration.

At the beginning of a lease, Infineon capitalizes a right of use asset at amortized acquisition cost and recognizes as a liability a corresponding lease liability, using the present value of the outstanding lease payments. Right of use assets are amortized on a straight-line basis over the expected useful life (see “Property, plant and equipment”, [p. 96](#)), or over the duration of the contract if shorter. In subsequent valuations, lease liabilities are measured at the current value of the outstanding lease payments using the effective interest method and are presented as lease liabilities (current and non-current).

The costs associated with leasing agreements with a term of not more than twelve months (provided they do not contain an option to purchase), as well as leasing agreements in which the value of the underlying asset in the leasing contract is low, are recorded in the profit or loss on a straight-line basis in the functional costs. As a general rule, leased assets with an acquisition cost of up to €5,000 are defined as a low-value asset.

Defined benefit pension plans

The net pension obligation recognized in respect of defined benefit pension plans comprises the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of the plan assets. The present value of the DBO and the resulting pension expense are determined annually in accordance with IAS 19 “Employee Benefits” for each separate plan by independent, qualified actuaries using the projected unit credit method. The calculation is subject to, among other things, assumptions on increases in salaries, future developments in pensions as well as the life expectancy of the beneficiaries. As of the balance sheet date, the obligations are discounted using discount rates determined primarily on the basis of market yields of high-grade, fixed-interest corporate bonds from issuers carrying a very high credit rating.

All items of income and expense relating to defined benefit plans, with the exception of the net interest result, are recognized on a net basis in the functional costs within the operating result. The net interest result arising from the multiplication of the net pension obligation (pension obligation less plan assets) by the discount rate is presented as a financial expense. Actuarial gains and losses arising from changes to actuarial assumptions and estimates as well as the difference between the normalized and actual return on plan assets are recognized directly in equity and recorded in the Consolidated Statement of Comprehensive Income in the periods in which they arise. Past service costs are recognized immediately in profit or loss.

Other provisions

Other provisions are recognized for present legal and/or constructive obligations arising from past events that are likely to result in a future outflow of resources, the amount of which can be reliably estimated.

With regard to legal proceedings and litigation, for example, those connected with the Qimonda insolvency, Infineon regularly assesses the probability of an unfavorable outcome. Infineon records provisions and liabilities, including provisions for significant legal costs, for those obligations and risks relating to legal disputes which it assesses at the relevant reporting date are likely to occur. That is where, from Infineon's perspective as of the date of assessment, there is compelling evidence that indicates an obligation or risk, and the obligation or risk can be quantified with reasonable accuracy at the time of assessment. As soon as additional information is available, the affected estimates are reviewed and, where necessary, provisions for these proceedings are revised.

Other provisions are measured at their expected settlement amount. The amount recognized for a provision is the best estimate of the expenditure required to settle the present obligation. Estimates of outcomes and financial effects are dependent upon the judgment of management, supplemented by experience gained from similar transactions and, where appropriate, the assessment of independent experts. If the circumstances to be assessed encompass a large number of possible outcomes, the obligation is estimated by weighting all possible outcomes by their associated probabilities (expected value method).

Where cash flows are expected to arise after the next twelve months, the expected settlement amount corresponds to the present value of the expected cash outflows. Discounting is only carried out if the interest effect is significant.

If the obligation decreases because of a change in the estimate, the provision is adjusted accordingly and the resulting income recognized in the same functional area of the Consolidated Statement of Profit or Loss in which the original charge was recognized.

Contingent liabilities

Contingent liabilities are either possible obligations whose actual existence is dependent on the occurrence of one or more uncertain future events not wholly within Infineon's control, or they are present obligations that will probably not result in the outflow of resources or whose outflow of resources cannot be quantified reliably. Contingent liabilities are not recognized in the Statement of Financial Position, instead they are disclosed and described in the Notes to the Consolidated Financial Statements (see note 22, [p. 129 f.](#), and note 23, [p. 130 ff.](#)).

Revenue recognition

Infineon generates revenues mainly from the sale of semiconductor products and related system solutions. Revenue is recognized when control over the products is transferred to the customers in accordance with IFRS 15 (power of disposal), and where the receipt of consideration from the customer is probable. Typically, Infineon's

customer contracts only contain one performance obligation which is fulfilled either over a period of time or at a specific point in time, with fulfillment at a specific point in time being the far more common case. For sales of customer-specific products with no alternative use for Infineon, for which Infineon has a legal right to payment for services rendered prior to delivery, revenue is recognized over time. Performance progress is determined using an input-based method and is based on the ratio of costs already incurred to the estimated total cost. If product revenue is not recognized over time, then it is generally recognized upon delivery. The recognition of revenue for deliveries into consignment warehouses depends on the individual contractual arrangement. Revenue recognition at the point of delivery into the consignment warehouse takes place in cases where the customers have contractual power of control over the products at the point of delivery. Accordingly, in such cases, a contract asset is recorded. Otherwise, revenue is recognized when the products are withdrawn by the customer.

Invoices for sales of products are issued at the time of delivery or withdrawal by the customer from the consignment warehouse and have a short payment term. The amount of revenue corresponds to the expected transaction price to be received by the customer.

The transaction price can include variable components such as rebates or discounts. Infineon can reliably estimate these in accordance with the contractual agreements and historical experience. Variable consideration is only taken into account in so far as it is highly probable that there will be no significant reversal of the revenue. If Infineon expects that the consideration received from the customer is to be reimbursed due to subsequent discounts, a reimbursement obligation is recognized, which is disclosed as other current liabilities.

Infineon recognizes revenue for deliveries to distributors by using the “sell in” method, that is, when a product is delivered to the distributor, to the extent that revenue has not already been recognized on an over time basis. The transaction price for sales to distributors, in particular, contains variable components. Distributors can, in accordance with established business practices in the semiconductor industry, under certain circumstances apply for price protection. This allows distributors to receive a credit (debit) note for unsold products held in inventory, where Infineon has reduced (increased) the standard list price of certain products. In addition, in certain cases and for certain products, distributors may request a so-called ship and debit credit note for price adjustments. As with all product sales, Infineon recognizes revenue based on the transaction price and records an obligation for the estimated consideration to be reimbursed to the customer during the period in which the relevant revenue is recognized. In the case of ship and debit, the determination of the transaction price, and thus also the refund obligation, is based on rolling historical price trends in the difference between contract prices and standard list prices to the distributors. The determination of the transaction price in the case of price protection takes into account current list prices and the relevant distributors’ inventory on hand. The refund liability is disclosed as part of other current liabilities.

Distributors can, subject to certain conditions, return a limited amount of inventory (stock return) or request scrap allowances. The estimation of the transaction price is based on the expected stock returns in accordance with the contractual agreement, combined with historical experience. Distributor scrap allowances are taken into account based on the contractual agreement when determining the transaction price and, upon submission of a valid claim, are granted up to a certain maximum based on turnover in a given period. Infineon monitors such product returns on an ongoing basis and adjusts estimate assumptions accordingly. In the case of both stock return and scrap allowances, the consideration to be refunded to the customer is recognized as a reimbursement obligation within other current liabilities. Other returns are only permitted for quality defects within the ordinary warranty period.

The additional costs to obtain a contract are immediately recognized as an expense as soon as they arise, providing the otherwise resulting depreciation period would not exceed one year. Costs to fulfill a contract are capitalized at the earliest when an expected, specifically identifiable contract exists.

Cost of goods sold

Cost of goods sold includes the manufacturing costs of products sold during the reporting period. In addition, cost of goods sold contains idle costs, inventory risks, the cost of warranty cases, as well as the amortization of capitalized development costs. Recognized foreign currency effects, as well as changes in the fair value of undesignated derivative financial instruments that are connected to the operating business, are recognized in cost of goods sold.

Research and development expenses

Costs of research activities are expensed as incurred. Costs for development activities are capitalized if the results lead to a plan or design for the production of new or substantially improved products or process improvements. Capitalization requires that the development costs can be measured reliably, the product or process is technically and commercially feasible, and future economic benefits are probable. In addition, Infineon must intend, and have the ability, to complete development and use or sell the asset. The costs capitalized include the cost of materials, direct labor and directly attributable general overhead expense that serves to prepare the asset for use. Such capitalized costs are presented as internally generated intangible assets within "Other intangible assets" (see note 12, [p. 111 f.](#)). Development costs, which do not fulfill the criteria for capitalization, are expensed as incurred. Capitalized development costs are stated at cost less accumulated amortization and impairment charges.

Grants

Grants are recognized when it is reasonably assured that Infineon will comply with the conditions attached to the grant, and it is reasonably assured that the grant will be received. Investment-related grants are deducted from the purchase and production cost of the related asset and thereby reduce depreciation and amortization expense in future periods.

Grants that are related to expenses are presented as a reduction of the related expense in the Consolidated Statement of Profit or Loss (see note 3, [p. 103](#)).

Current and deferred taxes

The current tax expense is calculated in accordance with taxation provisions in force at the end of the reporting period.

Deferred taxes are calculated on temporary differences between the tax base and the book value of assets and liabilities and on tax losses available for carry-forward and tax allowances. By contrast, generally no deferred tax is recognized on initial recognition of goodwill arising in connection with a business combination. Similarly, deferred taxes are not recognized on the initial recognition of an asset or liability in connection with a transaction that is not a business combination and which, at the time of the transaction, affects neither the pre-tax income according to IFRS nor taxable profit. Deferred tax assets and liabilities are measured using applicable tax rates and laws that have been enacted by the end of the reporting period or are about to be enacted and are to be applied when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets with respect to deductible temporary differences, tax loss carry-forwards and tax allowances that exceed deferred tax liabilities in respect of taxable temporary differences, are only recognized to the extent that it is probable that the

relevant Group entity can generate sufficient taxable profit to realize the corresponding benefit. Infineon reviews deferred tax assets for impairment at every reporting date. The assessment requires management to make assumptions about future taxable profits as well as other positive and negative influencing factors. This assessment also takes into account insights from the Company's five-year plan as approved in the fiscal year just ended.

Deferred tax assets and liabilities are netted to the extent they relate to the same tax authority and to the same taxpayer or a group of different taxpayers who are jointly assessed for income tax purposes.

Taxes are recognized in the Consolidated Statement of Profit or Loss, with the exception of taxes relating to items recognized directly in equity or in other comprehensive income.

Tax liabilities are recognized as short-term as they are due immediately, and Infineon generally has no option of deferring their due date.

For uncertain tax positions, a current tax liability is recorded; or, in the case of a tax loss carried forward or a tax allowance, the respective deferred tax asset is reduced accordingly. Estimates and assumptions must be made for the recognition and valuation, for example, whether an assessment is made separately or together with other uncertainties, whether a probable or expected value is used for the uncertainty, and whether changes have occurred compared to the previous period. The detection risk for the recognition of uncertain tax positions is not relevant. Recognition assumes that the tax authorities investigate the matters in question and that they have all relevant information.

Estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that have an impact on the presented amounts and the associated disclosures.

Estimates and assumptions undergo regular review and must be adjusted where appropriate.

Although these estimates and assumptions are applied by management to the best of its knowledge based on current events and circumstances, actual events may result in deviations from these estimates. This is particularly true in light of the significant increase in geopolitical risks in the 2022 fiscal year, particularly as a result of the war in Ukraine, which is associated with risks and adverse effects such as the possible interruption to the supply of natural gas to production sites or price increases and shortages of energy and raw materials, as well as disruptions in global supply chains, end markets and the overall economic development. An extension of the conflict situation beyond Ukraine would further increase the risk of a global economic downturn, which, in combination with rising inflation and rising interest rates, could lead to a significant decline in consumption. Trade and customs disputes, together with trade restrictions, for example between the US and China, can affect global trade and thus global economic growth. Due to the global economic recovery in the 2022 fiscal year, which led to very strong demand for semiconductors, the effects of the coronavirus pandemic were significantly reduced in the 2022 fiscal year compared to the previous one. In some countries, such as China or Malaysia, manufacturing or supply chain disruptions were caused by the pandemic, which also affected Infineon's production facilities and those of its international suppliers and customers. This had and has an impact on the availability of raw materials and components as well as on Infineon's revenue. Developments in the wake of the geopolitical risks and coronavirus pandemic are dynamic, so it cannot be ruled out that the actual results deviate significantly from the estimates and assumptions made in the preparation of these Consolidated Financial Statements, or that the estimates and assumptions made will have to be adjusted in future periods, potentially resulting in a significant impact on Infineon's financial position, results of operations and cash flows.

Areas containing estimates and assumptions and that are consequently most likely to be affected when actual results vary from estimates and assumptions are:

- › recognition and valuation of deferred tax assets as well as uncertain tax positions (see “Current and deferred taxes”, [p. 100 f.](#), and note 5, [p. 105 ff.](#)),
- › valuation of inventory (see “Inventories”, [p. 95](#), and note 10, [p. 110](#)),
- › revenue recognized over time as well as revenue where the transaction price includes a variable component (see “Revenue recognition”, [p. 98 f.](#)),
- › recoverability of non-financial assets, in particular goodwill (see notes 12, [p. 111 f.](#), and 13, [p. 113 f.](#)),
- › recognition and valuation of provisions (see “Other provisions” [p. 98](#), notes 16, [p. 117 f.](#), and 23, [p. 130 ff.](#)) and
- › valuation of defined benefit pension plans (see “Defined benefit pension plans”, [p. 97 f.](#), and note 18, [p. 119 ff.](#)).

All assumptions and estimates are based on the circumstances and assessments as of the balance sheet date, taking into account the knowledge gained up to the approval by the Management Board of the Consolidated Financial Statements on 21 November 2022.

3 Notes to the Consolidated Statement of Profit or Loss

Revenue

Breakdowns of revenue by segments, product groups and geographic areas are disclosed in note 28. [p. 149 ff.](#)

The aggregate amount of the transaction prices of the unsatisfied and partially unsatisfied performance obligations, arising from contracts with customers within the meaning of IFRS 15 with original expected durations of more than one year, was as follows as of 30 September 2022 and 2021:

Revenue expected in (€ in millions)	Total	Less than 1 year	1 year and after
As of 30 September 2022	1,257	488	769
As of 30 September 2021	512	157	355

Infineon refrains from disclosing the remaining performance obligations arising from contracts with customers within the meaning of IFRS 15 with original expected durations of one year or less. Accordingly, these values are not included in the table above.

Cost of materials and purchased services as well as personnel expenses

The Consolidated Statement of Profit or Loss (continuing and discontinued operations) includes the following expenses for purchased services, materials and personnel.

Expenses for materials and purchased services comprised the following in the 2022 and 2021 fiscal years:

€ in millions	2022	2021
Cost of raw materials, supplies and purchased goods	2,788	1,925
Cost of purchased services	3,433	2,609
Total	6,221	4,534

Personnel expenses comprised the following in the 2022 and 2021 fiscal years:

€ in millions	2022	2021
Wages and salaries	3,544	3,108
Social insurance levies and employee benefits	555	471
Expenses for pensions	71	67
Total	4,170	3,646

The average number of employees by geographic region was as follows for the 2022 and 2021 fiscal years:

	2022	2021
Europe	21,703	19,767
therein: Germany	13,687	12,680
Asia-Pacific (excluding Japan, Greater China)	23,762	20,457
Greater China ¹	2,698	2,423
therein: Mainland China, Hong Kong	2,313	2,086
Japan	653	648
Americas	5,470	5,296
therein: USA	3,908	3,772
Total	54,286	48,591

¹ Greater China comprises Mainland China, Hong Kong and Taiwan.

Grants

Infineon has received grants from various governmental institutions under government business development programs, including grants for the construction of manufacturing facilities, for research and development activities and employee development. Grants included directly in profit or loss in the Consolidated Financial Statements during the 2022 and 2021 fiscal years were as follows:

€ in millions	2022	2021
Included in the Consolidated Statement of Profit or Loss in:		
Cost of goods sold	61	58
Research and development expenses	113	123
Selling, general and administrative expenses	2	5
Total	176	186

In the 2022 fiscal year, investment grants of €14 million (2021: €20 million) were deducted from acquisition or construction costs for property, plant and equipment and intangible assets. In the 2022 fiscal year, Infineon received investment grants of €22 million (2021: €12 million).

For compliance with the conditions attached to the grants received and potential repayment requirements in case of nonfulfillment, see note 22. [p. 129 f.](#)

Financial income and expenses

Financial income comprised the following in the 2022 and 2021 fiscal years:

€ in millions	2022	2021
Interest income	11	5
Gains on sales of financial assets	-	13
Other financial income ¹	(4)	4
Total	7	22

¹ The negative amount in other financial income in the 2022 fiscal year arises from the negative change in the fair value of the derivative financial instruments, recorded as a reversal of unrealized gains recognized in previous fiscal years.

Financial expenses comprised the following in the 2022 and 2021 fiscal years:

€ in millions	2022	2021
Interest expenses	(142)	(155)
Other financial expenses	(26)	(27)
Total	(168)	(182)

Further information on Infineon's financial income and expenses is contained in note 26. [p. 140](#)

4 Investments accounted for using the equity method

The investments accounted for using the equity method comprise shares in joint ventures and associated companies.

Summarized financial information for joint ventures

As of 30 September 2022 and 2021, the carrying amount of joint ventures accounted for using the equity method was €56 million and €23 million, respectively.

For the 2022 and 2021 fiscal years, Infineon's proportion of selected items from the statement of comprehensive income of the joint ventures accounted for using the equity method were aggregated as follows:

€ in millions	2022	2021
Profit (loss) for the period	29	2
Other comprehensive income (loss), net of tax	3	-
Total comprehensive income (loss), net of tax	32	2

The pro rata result of the joint ventures accounted for using the equity method is not part of the Segment Result (see note 28, [p. 151](#)).

Summarized financial information for associated companies

As of 30 September 2022 and 2021, the carrying amount of the associated companies accounted for using the equity method was €44 million and €48 million, respectively.

For the 2022 and 2021 fiscal years, Infineon's proportion of selected items from the statement of comprehensive income of the associated companies accounted for using the equity method were aggregated as follows:

€ in millions	2022	2021
Profit (loss) for the period	10	7
Total comprehensive income (loss), net of tax	10	7

The pro rata result of the associated companies accounted for using the equity method is not part of the Segment Result (see note 28, [p. 151](#)).

5 Income tax

Income tax from continuing operations for the fiscal years ending 30 September 2022 and 2021 amounted to:

€ in millions	2022	2021
Current tax expense	(393)	(152)
Deferred tax income	(144)	8
Income tax	(537)	(144)

The German combined statutory tax rate for Infineon Technologies AG was 28 percent for the 2022 and 2021 fiscal years. This is based on a corporate income tax rate of 15 percent, plus a solidarity surcharge of 5.5 percent and a trade tax rate of 12 percent.

Taxable income earned by foreign subsidiaries is determined on the basis of the tax laws applicable in the relevant countries and is taxed based on the respective country-specific tax rates.

The reconciliation of income taxes from continuing operations for the fiscal years ended 30 September 2022 and 2021, based on the German combined statutory income tax rate of 28 percent for the 2022 and 2021 fiscal years, is as follows:

€ in millions	2022	2021
Expected income tax expense	(760)	(367)
Tax rate differential	93	47
Effects due to changes in tax rates	13	(15)
Effects from the difference between local and functional currency	8	1
Previous year taxes	77	73
therein: current tax income	73	59
Non-deductible expenses	(52)	(33)
Tax-exempt income	73	66
Change in permanent balance sheet effects	(43)	(50)
Change in valuation allowance on deferred tax assets	(43)	64
Change in available tax credits	96	64
Other	1	6
Actual income taxes	(537)	(144)

“Effects due to changes in tax rates” mainly related to a reduction in the applicable tax rates for deferred taxes in Singapore.

“Change in valuation allowances on deferred tax assets” consisted of the following: In the 2022 fiscal year, amounts recognized in profit or loss included valuation allowances or non-recognition of deferred tax assets for tax loss carry-forwards of €27 million (2021: €23 million), tax credits of €67 million (2021: €8 million), and temporary differences of €0 million (2021: €1 million). A write-up of deferred tax assets for tax loss carry-forwards of €0 million was recorded (2021: €77 million). Within tax credits, the write-up of deferred tax assets amounted to €10 million in the 2022 fiscal year (2021: €0 million) and temporary differences amounted to €41 million (2021: €19 million).

The utilization of tax loss carry-forwards, tax credits and temporary differences for which deferred tax assets had not previously been recorded resulted in current tax income of €1 million in the 2022 fiscal year (2021: €5 million).

Deferred tax assets and liabilities as of 30 September 2022 and 2021 comprised the following:

€ in millions	30 September 2022		Change 2022		30 September 2021		Change 2021	
	Deferred tax assets	Deferred tax liabilities	Total	therein through profit or loss	Deferred tax assets ¹	Deferred tax liabilities ¹	Total	therein through profit or loss
Intangible assets	44	(751)	(15)	74	35	(727)	9	12
Property, plant and equipment	156	(165)	(13)	(2)	146	(142)	(29)	(29)
Inventories	39	(25)	8	6	27	(21)	1	1
Provisions, pensions and similar commitments	339	(35)	24	21	310	(30)	60	73
Other	29	(39)	(5)	(6)	34	(39)	8	-
Total deferred taxes on temporary differences	607	(1,015)	(1)	93	552	(959)	49	57
Tax loss carry-forwards	394	-	(183)	(197)	577	-	(29)	(66)
Unused tax credits and excess foreign tax credits	170	-	(31)	(40)	201	-	17	17
Total deferred taxes	1,171	(1,015)	(215)	(144)	1,330	(959)	37	8
Netting	(644)	644	-	-	(635)	635	-	-
Total	527	(371)	(215)	(144)	695	(324)	37	8

¹ In the context of the separate disclosure of deferred taxes on inventories, the following prior year's positions were adjusted: "Other" and "Provisions, pensions and similar commitments".

Infineon assessed the need for a valuation allowance of its deferred tax assets. Based on the results of this assessment, considering all positive and negative factors and information relating to the foreseeable future based on business plans, Infineon recognized deferred tax assets, after netting, of €527 million as of 30 September 2022 (30 September 2021: €695 million).

Taxable losses brought forward and tax credits amount to the following:

€ in millions	2022	2021
Corporate tax loss carry-forwards – Germany	716	1,336
Trade tax loss carry-forwards – Germany	1,940	2,515
Corporate tax loss carry-forwards and local tax loss carry-forwards (particularly US state tax loss carry-forwards) – foreign	625	711
Tax credits	714	625

No deferred taxes were recorded for the following items (gross amounts):

€ in millions	2022	2021
Tax loss carry-forwards – Germany	-	-
Thereof expire within the next five years	-	-
Corporate tax loss carry-forwards and local tax loss carry-forwards (particularly US state tax loss carry-forwards) – foreign	412	374
Thereof expire within the next five years	87	59
Tax credits	544	424
Thereof expire within the next five years	-	2
Deductible temporary differences	36	464

The change in the net amount of deferred tax assets and liabilities is as follows:

€ in millions	2022	2021
Deferred taxes, net as of the end of the previous fiscal year	371	334
Deferred tax income (expense), recognized through profit or loss:		
From continuing operations	(144)	8
From discontinued operations	-	-
Change of deferred taxes, recognized directly in equity:		
Deferred tax arising from business acquisitions	(1)	-
Deferred taxes recognized directly in equity	5	28
Deferred taxes recognized in other comprehensive income	(26)	6
Foreign currency translation	(49)	(2)
Adjustment on initial application of IFRS 9 and IFRS 15	-	(3)
Deferred taxes, net as of the end of the fiscal year	156	371

In connection with investments in subsidiaries, there were temporary taxable differences of €242 million (2021: €349 million) for which no deferred taxes have been recognized because the timing of the reversal can be controlled, and it is not probable that the temporary differences will reverse in the foreseeable future.

Including the items recognized directly in equity and in other comprehensive income and the expense/benefit from continuing and discontinued operations, the income tax consisted of the following:

€ in millions	2022	2021
Income taxes from continuing operations, recognized in profit or loss	(537)	(144)
Income taxes from discontinued operations, recognized in profit or loss	-	1
Income taxes recognized directly in equity	9	29
Income taxes recognized in other comprehensive income	(26)	6
Income taxes	(554)	(108)

Income taxes recognized directly in equity in the 2022 fiscal year were mainly the result of tax effects in connection with the compensation for hybrid capital. In the 2021 fiscal year there were, additionally, tax effects from the reversal of valuation allowances on deferred tax assets resulting from capital measures in prior years.

The income taxes recognized in other comprehensive income in the 2022 fiscal year comprise mainly actuarial gains and losses arising from pension commitments of €25 million (2021: €11 million). In the 2021 fiscal year, there were, additionally, offsetting tax effects of €17 million arising from realized and non-realized gains and losses from hedges.

6 Disposals and discontinued operations

Qimonda – discontinued operations

On 23 January 2009, Qimonda AG (“Qimonda”), a majority-owned company, filed an application at the Munich local court to commence insolvency proceedings. On 1 April 2009, the insolvency proceedings formally opened. Insolvency proceedings were also opened for further domestic and foreign subsidiaries of Qimonda. Some of these insolvency proceedings have already been completed. The impacts of these proceedings are reported as discontinued operations in Infineon’s Consolidated Statement of Profit or Loss and Consolidated Statement of Cash Flows to the extent that the underlying events occurred before the commencement of insolvency proceedings.

The current risks and provisions relating to Qimonda’s insolvency are described in note 23 “Proceedings in relation to Qimonda”. [p. 130 ff.](#)

In the 2022 and 2021 fiscal years, adjustments to individual provisions as well as subsequent income arose as a result of recent developments in connection with the insolvency of Qimonda, which resulted in a loss from discontinued operations, net of income taxes of €7 million and €6 million, respectively.

7 Earnings per share

Basic earnings per share are calculated by dividing profit (loss) for the period by the weighted-average number of shares outstanding during the reporting period. The calculation of the diluted earnings per share is based on the assumption that all potentially dilutive instruments are converted into ordinary shares, resulting in a corresponding increase in the number of shares.

The hybrid bond issued in the 2020 fiscal year is classified as equity (see note 19, [p. 124 f.](#)). The related hybrid investors’ remuneration (after tax) represents payments for a component of equity that reduces the earnings available to shareholders for distribution and was therefore taken into account in determining earnings per share (basic and diluted).

Basic and diluted earnings per share are calculated as follows for the fiscal years ended 30 September 2022 and 2021:

€ in millions (unless otherwise stated)	2022	2021
Profit (loss) for the period – basic and diluted	2,179	1,169
Remuneration of hybrid capital investors ¹	(29)	(26)
Profit (loss) for the period attributable to shareholders of Infineon Technologies AG – basic and diluted	2,150	1,143
thereof from continuing operations	2,157	1,149
thereof from discontinued operations	(7)	(6)
Weighted-average number of shares outstanding (in millions):		
Ordinary share capital	1,305.9	1,305.9
Adjustment for own shares	(4.1)	(4.7)
Weighted-average number of shares outstanding – basic	1,301.8	1,301.2
Adjustments for:		
Effect of share-based payment	1.8	2.5
Weighted-average number of shares outstanding – diluted	1,303.6	1,303.7
Basic earnings per share² (in euro):		
Earnings per share (in euro) from continuing operations	1.66	0.88
Earnings (loss) per share (in euro) from discontinued operations	(0.01)	(0.01)
Earnings per share (in euro) – basic	1.65	0.87
Diluted earnings per share² (in euro):		
Earnings per share (in euro) from continuing operations	1.65	0.88
Earnings (loss) per share (in euro) from discontinued operations	–	(0.01)
Earnings per share – diluted	1.65	0.87

1 Including the cumulative tax effect.

2 The calculation of earnings per share is based on unrounded figures.

8 Financial investments

Financial investments comprise fixed-term deposits with banks and investment funds. Fixed-term deposits with banks are categorized as financial assets and measured at amortized cost. Investment funds are categorized as financial assets and measured at fair value through profit or loss (see also note 2, [p. 93 f.](#), and note 26, [p. 136 ff.](#)).

Financial investments as of 30 September 2022 and 2021 comprised the following:

€ in millions	30 September 2022	30 September 2021
Fixed-term bank deposits	240	1,108
Investment funds	2,039	1,066
Financial investments, gross	2,279	2,174
Loss allowances	–	(1)
Financial investments, net	2,279	2,173

The loss allowances on financial investments that are measured at amortized cost changed as follows during the 2022 and 2021 fiscal years:

€ in millions	2022	2021
Loss allowances as of the beginning of the fiscal year	1	1
Revaluation of loss allowances, net	(1)	–
Loss allowances as of the end of the fiscal year	–	1

Information on Infineon's credit risk management is contained in note 27. [p. 146 f.](#)

9 Trade receivables

Trade receivables result from contracts with customers that are due within one year. As of 30 September 2022 and 2021, they consisted of the following:

€ in millions	30 September 2022	30 September 2021
Trade receivables, third parties	1,883	1,479
Trade receivables, related parties	10	9
Trade receivables, gross	1,893	1,488
Loss allowances	(6)	(5)
Trade receivables, net	1,887	1,483

Changes in the loss allowances for trade receivables in the 2022 and 2021 fiscal year were as follows:

€ in millions	2022	2021
Loss allowances as of the beginning of the fiscal year	5	5
Current year's loss allowance, net of reversals	1	-
Usage of loss allowances, net	-	-
Loss allowances as of the end of the fiscal year	6	5

Information about Infineon's credit risk management is contained in note 27. [□ p. 146 f.](#)

10 Inventories

Inventories as of 30 September 2022 and 2021 consisted of the following:

€ in millions	30 September 2022	30 September 2021
Raw materials and supplies	470	279
Work in progress	1,949	1,464
Finished goods and merchandise	662	438
Total	3,081	2,181

Cost of goods sold consisted mainly of inventory-related expenses in the 2022 and 2021 fiscal years.

As of 30 September 2022 and 2021, finished goods and merchandise included an asset of €16 million and €12 million, respectively which resulted from sales with a right of return.

Inventory write-downs as of 30 September 2022 and 2021 amounted to €282 million and €232 million, respectively.

11 Other current assets

Other current assets as of 30 September 2022 and 2021 consisted of the following:

€ in millions	30 September 2022	30 September 2021
VAT and other receivables from tax authorities	303	250
Prepaid expenses	131	106
Grants receivables	86	94
Prepayments	58	39
Derivative financial instruments (see note 26, □ p. 140 ff.)	5	2
Other	42	27
Total	625	518

12 Property, plant and equipment and other intangible assets

The development of property, plant and equipment as well as other intangible assets for the years ended 30 September 2022 and 2021 was as follows:

	Cost						Depreciation/amortization						Carrying amount			
	1 October 2021	Additions	Additions through business combination	Disposals	Reclassification	Foreign currency effects	30 September 2022	1 October 2021	Depreciation/amortization	Disposals	Reclassification	Impairments/reversals of impairments	Foreign currency effects	30 September 2022	30 September 2022	30 September 2021
€ in millions																
Property, plant and equipment																
Land, land rights and buildings	2,302	69	3	(6)	136	61	2,565	(989)	(83)	5	-	6	(19)	(1,080)	1,485	1,313
Technical equipment and machinery	11,129	972	6	(130)	455	108	12,540	(8,822)	(829)	127	(8)	-	(68)	(9,600)	2,940	2,307
Other plant and office equipment	1,457	131	-	(85)	38	19	1,560	(1,279)	(138)	83	8	-	(12)	(1,338)	222	178
Payments on account and construction in progress	645	889	-	(1)	(629)	-	904	-	-	1	-	(6)	(1)	(6)	898	645
Total property, plant and equipment	15,533	2,061	9	(222)	-	188	17,569	(11,090)	(1,050)	216	-	-	(100)	(12,024)	5,545	4,443
Other intangible assets																
Capitalized development costs	1,220	209	-	-	-	15	1,444	(448)	(94)	-	-	(4)	(1)	(547)	897	772
Customer relationships	1,333	-	-	-	-	212	1,545	(595)	(156)	-	-	-	(90)	(841)	704	738
Technologies	2,214	-	-	-	-	404	2,618	(528)	(243)	-	-	-	(121)	(892)	1,726	1,686
Licenses and similar rights	306	31	-	(5)	-	6	338	(230)	(30)	5	-	-	(6)	(261)	77	76
Remaining other intangible assets	106	-	-	-	-	20	126	(29)	(11)	-	-	-	(7)	(47)	79	77
Total other intangible assets	5,179	240	-	(5)	-	657	6,071	(1,830)	(534)	5	-	(4)	(225)	(2,588)	3,483	3,349

	Cost					30 Sep- tember 2021	Depreciation/amortization					Carrying amount		
	1 October 2020	Additions	Disposals	Reclassi- fication	Foreign currency effects		1 October 2020	Depre- ciation/ amor- tization	Disposals	Impair- ments/ reversals of impair- ments	Foreign currency effects	30 Sep- tember 2021	30 Sep- tember 2021	30 Sep- tember 2020
€ in millions														
Property, plant and equipment														
Land, land rights and buildings	1,996	252	(3)	48	9	2,302	(921)	(76)	3	9	(4)	(989)	1,313	1,075
Technical equipment and machinery	10,328	669	(126)	236	22	11,129	(8,189)	(737)	123	-	(19)	(8,822)	2,307	2,139
Other plant and office equipment	1,349	120	(53)	37	4	1,457	(1,204)	(123)	52	-	(4)	(1,279)	178	145
Payments on account and construction in progress	753	218	(7)	(321)	2	645	(2)	-	2	-	-	-	645	751
Total property, plant and equipment	14,426	1,259	(189)	-	37	15,533	(10,316)	(936)	180	9	(27)	(11,090)	4,443	4,110
Other intangible assets														
Capitalized development costs	1,033	199	(14)	-	2	1,220	(393)	(69)	14	-	-	(448)	772	640
Customer relationships	1,321	-	-	-	12	1,333	(396)	(191)	-	-	(8)	(595)	738	925
Technologies	2,190	-	-	-	24	2,214	(296)	(214)	-	(7)	(11)	(528)	1,686	1,894
Licenses and similar rights	276	30	(1)	-	1	306	(201)	(29)	-	-	-	(230)	76	75
Remaining other intangible assets	105	-	-	-	1	106	(18)	(9)	-	(1)	(1)	(29)	77	87
Total other intangible assets	4,925	229	(15)	-	40	5,179	(1,304)	(512)	14	(8)	(20)	(1,830)	3,349	3,621

Depreciation on property, plant and equipment is presented in the Consolidated Statement of Profit or Loss, mainly in cost of goods sold. Amortization of intangible assets is mainly presented in cost of goods sold or selling, general and administrative expenses. Impairments on property, plant and equipment and other intangible assets are reported under other operating expenses.

13 Goodwill

Changes in goodwill during the 2022 and 2021 fiscal years were as follows:

€ in millions	2022	2021
Cost		
Balance as of the beginning of the fiscal year	5,962	5,897
Additions through business combination	28	-
Foreign currency effects	1,093	65
Balance as of the end of the fiscal year	7,083	5,962
Accumulated impairments and other changes		
Balance as of the beginning of the fiscal year	-	-
Impairments	-	-
Disposals	-	-
Foreign currency effects	-	-
Balance as of the end of the fiscal year	-	-
Carrying amount		
Balance as of the beginning of the fiscal year	5,962	5,897
Balance as of the end of the fiscal year	7,083	5,962

Infineon carried out the annual goodwill impairment test at the operating segment level in the fourth quarter.

Infineon determines the recoverable amount of a particular cash generating unit to which goodwill has been allocated on the basis of its value in use. The value in use is measured by estimating the present value of future cash flows that will be generated by the continuing operations of the CGU discounted using an appropriate discount rate.

Cash flows, including the underlying parameters such as revenue growth and margins, are projected based on past experience, current operating results and the business plan approved in the fiscal year just ended, which is calculated bottom-up based on certain central assumptions applied consistently throughout Infineon. Cash flows over a five-year period are used to derive the value in use. The derivation of the terminal value is based on a stable business state, reflecting synergies resulting from the acquisition of Cypress. The average revenue growth rates over the planning period are between 10.7 percent and 13.2 percent, which is in part higher than the average historical growth rates of the sectors in which the relevant segments operate because, among other things, the segments benefit to varying degrees from the businesses acquired with Cypress and the related revenue and costs synergies. Investments to increase capacity for which no cash outflow has taken place are not taken into account. Cash flows for periods beyond the planning horizon are estimated using a terminal value.

The discount rate for future cash flows is based on the after-tax weighted-average cost of capital ("WACC") for the CGU in question. The Capital Asset Pricing Model ("CAPM") is used to calculate the cost of equity. The relevant pre-tax WACC used to discount future pre-tax cash flows in line with IAS 36, is derived from estimated future after-tax cash flows and the after-tax WACC using a typical tax rate for each operating segment. The risk-free interest rate is derived using the Svensson method taking into account risk premiums, the beta factor and debt ratio are derived from a group of companies comparable to the operating segment. In this way, the discount rate derived reflects the current market rate of return as well as the specific risks attached to the respective operating segment.

The following table shows the allocation of the carrying amount of goodwill to the segments, as well as the valuation parameters used:

Operating segment	Book value of allocated goodwill € in millions		Pre-tax WACC ¹ in %		After-tax WACC ¹ in %		Terminal growth rate ¹ in %	
	2022	2021	2022	2021	2022	2021	2022	2021
Automotive	1,686	1,418	13.2	11.1	9.9	8.6	1.5	1.5
Industrial Power Control	261	228	13.4	11.9	10.0	8.9	1.5	1.5
Power & Sensor Systems	2,011	1,697	14.1	12.5	10.7	9.5	1.5	1.5
Connected Secure Systems	3,123	2,617	12.9	10.8	10.0	8.7	1.5	1.5
Corporate	2	2						
Total	7,083	5,962						

¹ Valuation parameters as of 30 June 2022 and 2021 for the respective impairment test in the fourth quarter.

As a result of the impairment tests carried out, Infineon concluded that none of the operating segments gave rise to an impairment of goodwill in the year under report.

Business planning is affected, among other things, by uncertainties regarding the assessment of markets and the macroeconomic environment and is based to a large extent on the assumption that the revenue and cost synergies expected from the acquisition of Cypress will be successfully realized. Therefore, sensitivity analyses were carried out at operating segment level, taking into account changes considered

possible in the main assumptions. Even taking these changes into account, no impairment on goodwill was observed as a result of the sensitivity analyses at operating segment level.

In addition, as of the reporting date, there was no indication that the recoverable amount of an operating segment to which goodwill had been allocated could have fallen below the book value.

14 Leases

Leases concluded relate mainly to the rental of office and warehouse space, IT equipment, other plant and office equipment, as well as vehicles for selected employees.

The changes in the right of use assets in the 2022 and 2021 fiscal year were as follows:

€ in millions	1 October 2021	Additions	Additions through business combinations	Depreciation	Other changes ¹	30 September 2022
Land, land rights and buildings	319	119	1	(71)	21	389
Technical equipment and machinery	8	1	-	(3)	-	6
Other plant and office equipment	9	7	-	(6)	-	10
Total	336	127	1	(80)	21	405

¹ Other changes for land, land rights and buildings include reversals of impairments amounting to €0 million.

€ in millions	1 October 2020	Additions	Additions through business combinations	Depreciation	Other changes ¹	30 September 2021
Land, land rights and buildings	267	110	-	(56)	(2)	319
Technical equipment and machinery	9	1	-	(3)	1	8
Other plant and office equipment	10	6	-	(6)	(1)	9
Total	286	117	-	(65)	(2)	336

¹ Other changes for land, land rights and buildings include reversals of impairments amounting to €6 million.

The allocation of discounted and undiscounted lease liabilities by maturity as of 30 September 2022 and 2021 was as follows:

€ in millions	30 September 2022		30 September 2021	
	Discounted lease liabilities	Undiscounted lease liabilities	Discounted lease liabilities	Undiscounted lease liabilities
Due within one year	76	81	66	68
Due after one year to five years	209	235	139	145
Due after more than five years	101	115	126	133
Total	386	431	331	346

The Consolidated Statement of Profit or Loss includes the following amounts in the 2022 and 2021 fiscal year that are attributable to leases:

€ in millions	2022	2021
Depreciation	80	65
Impairment (Reversal of impairment)	-	(6)
Interest expenses	5	4
Expenses for short-term leases with a term of twelve months or less	5	6
Expenses for low-value leases	6	3

The Consolidated Statement of Cash Flows includes the following amounts in the 2022 and 2021 fiscal year that are attributable to leases:

€ in millions	2022	2021
Payments for short-term leases and low-value leases	11	9
Payments for lease prepayments	17	-
Payments for lease liabilities	84	76
Interest payments	5	4
Total	117	89

Some leases contain renewal options that may be exercised by Infineon prior to the expiration of the non-cancelable lease term. Infineon estimates that, if the renewal options were exercised, the potential future lease payments would result in a lease liability of €84 million.

In addition, there are future payment obligations for leases that have not yet started but have already been contracted, as well as for short-term leases with a term of twelve months or less, which are immaterial.

The lease contracts, in which Infineon subleases and acts as a lessor, are not material from the Group's point of view.

The expected non-discounted future minimum lease payments from operating leases for land and buildings owned by Infineon and in which Infineon acts as lessor are as follows:

€ in millions	30 September 2022	30 September 2021
Due within one year	18	20
Due after one year to five years	23	39
Due after more than five years	-	1
Total	41	60

15 Financial debt

Financial debt as of 30 September 2022 and 2021 consisted of the following:

€ in millions	30 September 2022	30 September 2021
Short-term financial debt and current portion of long-term financial debt, weighted average interest rate: 0.87% (2021: 1.25%)	3	3
Bond €750 million, coupon 0.75%, due 2023	749	-
Bond €500 million, coupon 1.50%, due 2022	-	500
Convertible bonds, weighted average interest rate 2021: 4.50%	-	330
Short-term financial debt and current portion of long-term financial debt	752	833
Unsecured loans, weighted average interest rate 2021: 0.87%, due 2023	-	3
Bond €750 million, coupon 0.75%, due 2023	-	747
Bond €500 million, coupon 0.625%, due 2025	497	-
Bond €750 million, coupon 1.125%, due 2026	745	744
Bond €750 million, coupon 1.625%, due 2029	742	741
Bond €650 million, coupon 2.00%, due 2032	639	638
Term loan US\$1,110 million, weighted average interest rate 2021: 1.04%, due 2024 ¹	-	954
USPP notes US\$935 million, weighted average interest rate 4.09%, due 2024 – 2028	958	806
USPP notes US\$1,300 million, weighted average interest rate 2.88%, due 2027 – 2033	1,329	1,119
Long-term financial debt	4,910	5,752
Total	5,662	6,585

¹ This was a variable-interest financial liability.

A US\$382 million convertible bond acquired in the course of the Cypress acquisition and due in 2022 was repaid at maturity on 18 January 2022.

On 17 February 2022, Infineon Technologies AG issued a non-subordinated, unsecured bond with a nominal value of €500 million due in 2025 with a coupon of 0.625 percent per year, under its EMTN (European Medium-Term Notes) program. The bond is listed on the Luxembourg Stock Exchange.

A €500 million bond maturing on 10 March 2022 was repaid as scheduled.

The last remaining term loan, taken out in connection with the acquisition of Cypress and maturing in 2024, was voluntarily prepaid in two tranches of US\$555 million each.

Financial debt was recognized at amortized cost after deduction of directly attributable transaction costs. The conversion rights still outstanding in the previous year, which could only be exercised against cash payment after the acquisition of Cypress, were measured at fair value through profit or loss.

The total lines of credit as of 30 September 2022 and 2021 are summarized in the following table:

Term, € in millions	30 September 2022			30 September 2021		
	Aggregate facility	Drawn	Available	Aggregate facility	Drawn	Available
Short-term	83	3	80	72	3	69
Long-term	-	-	-	962	962	-
Total	83	3	80	1,034	965	69

Nominal amounts of financial debt and interest maturing in the coming years were as follows:

€ in millions	30 September 2022		30 September 2021	
	Financial debt	Interest	Financial debt	Interest
Due within one year	753	120	833	125
Due after one year to five years	2,327	385	3,066	397
Due after more than five years	2,616	215	2,726	261
Total	5,696	720	6,625	783

16 Provisions

Current and non-current provisions as of 30 September 2022 consisted of the following:

€ in millions	1 October 2021	Addition	Usage	Reversal	30 September 2022
Obligations to employees	790	800	(615)	(23)	952
Provisions related to Qimonda (see note 6, p. 108 , and note 23, p. 130 ff.)	211	12	(7)	(5)	211
Warranties	40	15	(5)	(11)	39
Other	93	24	(11)	(36)	70
Total provisions	1,134	851	(638)	(75)	1,272
thereof current	815				983
thereof non-current	319				289

Obligations to employees included, among others, costs of variable remuneration, outstanding vacation and flextime, service anniversary awards, other personnel costs and social security costs.

Provisions for warranties mainly represented the estimated future cost of fulfilling contractual requirements associated with products sold.

Other provisions comprised provisions for litigations (other than those relating to Qimonda), restructuring, asset retirement obligations and miscellaneous other liabilities.

Of the total provisions as of 30 September 2022 and 2021, cash outflows of €983 million and €815 million, respectively, were expected to occur within one year. For the non-current provisions, the cash outflow was expected to occur after more than one year. Besides the provisions in connection with Qimonda, €42 million as of both 30 September 2022 and 2021, respectively, of non-current provisions were attributable to length-of-service related anniversary awards.

17 Other current liabilities

Other current liabilities as of 30 September 2022 and 2021 consisted of the following:

€ in millions	30 September 2022	30 September 2021
Reimbursement obligations	593	395
Payroll and similar obligations to employees	248	206
Accrued interest expense	93	104
Contract liabilities	26	12
Other	201	155
Total	1,161	872

Contract liabilities amounted to €32 million and €25 million as of 30 September 2022 and 2021, respectively. Of this amount, €6 million (30 September 2021: €13 million) related to non-current contract liabilities reported under other non-current liabilities.

18 Pension plans

Defined benefit pension plans

Infineon's employee benefit plans consist of domestic and foreign defined benefit and defined contribution pension plans providing retirement, disability and surviving dependents' benefits. For Infineon, the significant benefit plans in Germany pertain to Infineon Technologies AG and are among the foreign benefit plans to Infineon Technologies Austria AG.

In Germany, Infineon primarily offers defined contribution benefits which provide for the employees when they reach retirement age, or in the event of disability or death. The statutory framework is provided by the Company Pension Act (in German: Betriebsrentengesetz or "BetrAVG") and by employment law in general. With the Infineon pension plan, new entrants receive a defined contribution benefit, which is funded by Infineon. Payments by the Infineon pension plan are generally made in twelve annual installments. For active employees who were entitled to benefits in the form of an annuity before the Infineon Pension Plan came into force, this commitment was transferred into the Infineon Pension Plan and thereby the possibility of an annuity is guaranteed. Together with former employees whose pension benefit obligations were not transferred into the Infineon Pension Plan, this group makes up the largest part of the obligation at this time. A corresponding provision is recorded for the German defined benefit pension plans, which are partly backed by plan assets. Individual agreements are in place for the members of the Management Board, which are backed by plan assets (see the chapter "Remuneration Report", [p. 82](#)). The major portion of the plan assets is managed by a pension trust in the legal form of a registered association. This is composed of executives of Infineon Technologies AG, and the investment strategy is defined by Infineon Technologies AG.

The benefit obligation of some foreign plans is measured according to the income in the last month or year of service; others are dependent on average income over the service period. Foreign pension plans are managed by country-specific external pension funds or other pension schemes. The obligations arising from foreign defined benefit pension plans are partly covered by plan assets. The management of existing foreign plan assets is performed by the respective pension scheme.

The valuation date of the pension plans is 30 September.

The Group-defined benefit pension plans are exposed to risks arising from changes to actuarial assumptions such as discount factors, salary and pension trends, investment risks and longevity risks. A lower discount rate leads to higher pension liabilities. Equally, lower than expected growth in plan assets could lead to a deterioration of the funded status, or require the payment of additional contributions.

The development of Infineon's German (domestic) and non-German (foreign) pension plans and the plan assets as of 30 September 2022 and 2021 is presented in the following table:

€ in millions	2022			2021		
	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Change in defined benefit obligations taking into account future salary increases:						
Present value as of the beginning of year	(1,161)	(220)	(1,381)	(1,217)	(221)	(1,438)
Current service cost	(28)	(7)	(35)	(31)	(8)	(39)
Past service income (cost)	(1)	2	1	-	1	1
Interest cost	(14)	(5)	(19)	(11)	(4)	(15)
Actuarial gains (losses) for:						
Experience adjustments	23	(10)	13	20	(1)	19
Adjustments to demographic assumptions	32	-	32	-	-	-
Adjustments to financial assumptions	333	53	386	60	6	66
Plan settlements	-	-	-	-	3	3
Benefits paid	24	11	35	22	9	31
Employee contributions	(10)	-	(10)	(4)	-	(4)
Foreign currency effects	-	(7)	(7)	-	(5)	(5)
Present value of defined benefit obligation as of the end of year	(802)	(183)	(985)	(1,161)	(220)	(1,381)
Change in fair value of plan assets:						
Fair value of plan assets as of the beginning of year	671	93	764	614	85	699
Expected return on plan assets	8	2	10	6	2	8
Actuarial gains (losses)	(70)	(29)	(99)	49	5	54
Contributions from Infineon	22	11	33	20	8	28
Employee contributions	10	-	10	4	-	4
Benefits paid	(24)	(11)	(35)	(22)	(9)	(31)
Foreign currency effects	-	5	5	-	2	2
Fair value of plan assets as of the end of year	617	71	688	671	93	764
Net pension liability	(185)	(112)	(297)	(490)	(127)	(617)
thereof: Infineon Technologies AG	(167)	-	(167)	(447)	-	(447)
thereof: Infineon Technologies Austria AG	-	(51)	(51)	-	(58)	(58)

Pension obligations are reported in the Consolidated Statement of Financial Position under “Pensions and similar commitments”. [p. 86](#)

Since no asset ceilings applied, the funded status of the Infineon pension plans corresponded to the amounts reported in the Consolidated Statement of Financial Position as of 30 September 2022 and 2021.

The funding of the defined benefit obligations as of 30 September 2022 and 2021 was as follows:

€ in millions	30 September 2022			30 September 2021		
	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Plans that are wholly unfunded	48	82	130	8	95	103
Plans that are wholly or partly funded	754	101	855	1,153	125	1,278
Total	802	183	985	1,161	220	1,381

Actuarial assumptions

The weighted-average assumptions used in calculating the actuarial values for the pension plans were as follows:

in %	30 September 2022		30 September 2021	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate at the end of the fiscal year	3.8	4.8	1.3	2.4
Rate of salary increase	2.5	5.0	2.0	4.3
Projected future pension increases	2.3	2.9	1.8	2.8

In order to determine the present value as of the balance sheet date, the Willis Towers Watson RATE:Link approach was applied, which is based on high-grade fixed-interest corporate bonds from issuers carrying a very high credit rating, with the same maturity and in the same currency as the pension obligations to be assessed.

The 2018 G mortality tables by Dr. Klaus Heubeck were used for Germany as in the previous year, and for Austria, the AVÖ 2018-P tables were applied.

Sensitivity analysis

The following sensitivity analysis table shows how the present value of all defined benefit pension obligations would be affected by changes in the aforementioned actuarial assumptions. In each case, they reflect the effect of changes in one actuarial assumption while all other assumptions remain constant.

€ in millions	30 September 2022			30 September 2021		
	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Present value of defined benefit pension plans with:						
a 50 basis points higher discount rate	753	173	926	1,072	205	1,277
a 50 basis points lower discount rate	857	193	1,050	1,264	235	1,499
a 50 basis points higher expected rate of salary increase	809	187	996	1,170	225	1,395
a 50 basis points lower expected rate of salary increase	796	179	975	1,154	215	1,369
a 50 basis points higher expected rate of pension increase	825	186	1,011	1,207	225	1,432
a 50 basis points lower expected rate of pension increase	781	180	961	1,121	214	1,335
Increase in life expectancy by one year	820	185	1,005	1,198	224	1,422

Investment strategy

The pension plans' assets are invested with several fund managers. The investment guidelines require a mix of active and passive investment management programs covering different asset classes. Taking the duration of the underlying liabilities into account, a portfolio of investments of plan assets in equity, debt and other securities, as well as real estate and reinsurance policies, is targeted to maximize the total long-term return on assets for a given level of risk. Investment risk is monitored on an ongoing basis through periodic portfolio reviews, by coordination with investment managers and annual liability measurements. Investment policies and strategies are periodically reviewed as part of detailed studies of assets and liabilities by independent investment advisors and actuaries to ensure the objectives of the plans are met, taking into account any changes in benefit plan structure, market conditions or other material items. The aim is to optimize the risk-return profile of plan assets against the liabilities using a diversified portfolio of investments within a defined risk budget and to thereby increase the funding ratio in the long term.

Plan asset allocation

As of 30 September 2022 and 2021, the allocation of invested plan assets to the major asset categories was as follows:

€ in millions	30 September 2022		30 September 2021	
	Quoted in an active market	Not quoted in an active market	Quoted in an active market	Not quoted in an active market
Government bonds	130	1	118	1
Corporate bonds	173	-	236	-
Equity securities	231	-	275	-
Cash and cash equivalents	29	-	8	-
Reinsurance policies	-	39	-	37
Property	3	30	3	30
Other	36	16	32	24
Total	602	86	672	92

Government and corporate bonds are traded in liquid markets and the majority of them have an investment grade rating. The geographical allocation of the equity component of plan assets is globally diversified. As a matter of policy, Infineon's pension plans do not invest in the shares or debt instruments of Infineon. The position "Other" in the table above comprises exchange-traded commodities (ETC) and other investment funds. The market value of the ETC held domestically was €35 million as of 30 September 2022 (previous year: €31 million).

The market value of the land and real estate leased to Group companies by the legally independent pension trust amounted to €30 million as of both 30 September 2022 and 2021.

The actual negative return on plan assets in the fiscal year ended 30 September 2022 was €89 million (30 September 2021: positive €62 million).

Amounts recognized in the Consolidated Statement of Profit or Loss and in the Consolidated Statement of Comprehensive Income

The expenses and income of defined benefit plans for the 2022 and 2021 fiscal years comprised the following:

€ in millions	2022			2021		
	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Current service cost	(28)	(7)	(35)	(31)	(8)	(39)
Past service (cost) benefit	(1)	2	1	-	1	1
Interest cost	(14)	(5)	(19)	(11)	(4)	(15)
Expected return on plan assets	8	2	10	6	2	8
Pension cost	(35)	(8)	(43)	(36)	(9)	(45)

Service costs were recorded within cost of goods sold to the extent that they relate to production employees; otherwise they are recorded as research and development or selling, general and administrative expenses. Interest costs and expected return on plan assets were recorded net as part of financial expenses.

Actuarial gains before taxes of €332 million and €139 million for the 2022 and 2021 fiscal years, respectively, had been recognized outside of profit (loss) for the period in other comprehensive income.

As of 30 September 2022 and 2021, cumulative actuarial losses amounted to €71 million and €403 million, respectively.

In the 2023 fiscal year, payments of €37 million are expected to be made to plan assets, of which €33 million relate to benefits paid directly to pension recipients by the Group companies.

The weighted-average duration of defined benefit plans was around 13 and 17 years as of 30 September 2022 and 2021, respectively.

The following table shows the expected disbursements for defined benefit plans for the next ten fiscal years as of 30 September 2022 and 2021:

€ in millions	30 September 2022	30 September 2021
Due within one year	46	38
Due after more than one year to five years	192	172
Due after more than five years up to ten years	325	282
Total	563	492

Defined contribution plans

In connection with defined contribution plans, fixed contributions are made to external insurance providers or funds. Infineon has no further performance obligations or risks with regard to these pension plans in excess of the fixed contributions paid. Additionally, the Group makes contributions to government pension schemes. Expenses for defined contribution plans amounted to €309 million and €234 million in the 2022 and 2021 fiscal years.

19 Equity

Ordinary share capital

The following table shows a reconciliation of the number of ordinary shares issued as of 30 September 2022 and 2021:

quantity	2022	2021
Shares outstanding at the beginning of the fiscal year	1,301,375,535	1,300,669,746
Transfer of own shares under the Performance Share and Restricted Stock Unit Plans (see note 21, p. 127 ff.)	855,701	705,789
Shares outstanding at the end of the fiscal year	1,302,231,236	1,301,375,535
Repurchased own shares	3,689,901	4,545,602
Shares issued at the end of the fiscal year	1,305,921,137	1,305,921,137

As of 30 September 2022, the ordinary share capital amounted to €2,611,842,274 and was fully paid up. It was divided into 1,305,921,137 no par value registered shares, each representing €2 of the Company's ordinary share capital. Each share grants the holder one vote and an equal portion of the profits in the form of a dividend, as resolved by the Annual General Meeting. Own shares held by the Company, as of the date of the Annual General Meeting carry no voting rights and are not entitled to a dividend.

Additional paid-in capital

The pro rata expense for share-based payment resulted in an increase in additional paid-in capital of €62 million in the 2022 fiscal year (2021: €27 million). Due to the transfer of own shares to employees and members of the Management Board, additional paid-in capital, as well as the line item for own shares, decreased by €5 million (2021: €5 million). Tax effects totaling €9 million (2021: €29 million) increased the additional paid-in capital.

Authorized share capital

As of 30 September 2022, the Company's Articles of Associations provided for two authorized share capitals amounting to up to €670,000,000:

- › Section 4, paragraph 4 of the Articles of Association provides that the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in the period until 19 February 2025 once or in several partial amounts by a total of up to €640,000,000 through the issue of new no par value registered shares, against contributions in cash or in kind (Authorized Capital 2020/I). The new shares participate in profits from the beginning of the fiscal year of their issue. To the extent legally permissible, the Management Board may, with the approval of the Supervisory Board, and contrary to section 60, paragraph 2 of the German Stock Corporation Act, stipulate that the new shares participate in the profits from the beginning of an already ended fiscal year for which no resolution of the Annual General Meeting on the use of the distributable profit has yet been made at the time of their issue. The originally authorized capital 2020/I, of €750,000,000 was reduced to €640,000,000 by the capital increase of €110,000,000 as decided by the Management Board and the Supervisory Board on 26 May 2020 and entered in the Commercial Register on 27 May 2020. Within the framework of the Authorized Capital 2020/I, the Management Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders in certain cases. Cash capital increases with subscription rights excluded pursuant to section 186, paragraph 3, sentence 4, of the German Stock Corporation Act, are not permitted to exceed 10 percent of a company's share capital – neither at the time of the resolution of the authorization in the Annual General Meeting, nor at the effective date of the authorization, or its exercise. The capital increase of 26/27 May 2020 utilized around 4 percent of this framework. For share capital increases against contributions in kind or a combination of cash contributions and contributions in

kind, the authorization further provides an upper limit of 10 percent of the share capital in place at the date of the authorization in the Annual General Meeting.

- › Section 4, paragraph 7, of the Articles of Association provides that the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in the period up to 24 February 2026 – either once or in partial amounts – by a total of up to €30,000,000 by issuing new no par value registered shares against contributions in cash for the purpose of increasing the issue to employees and members of the Executive Board of the Company or its Group companies. The subscription rights of the shareholders are excluded in relation to these shares. The shares may be issued to employees in such a manner that the contribution to be paid on such shares is covered by the portion of the profit for the year that the Management Board and Supervisory Board could transfer to retained earnings in accordance with section 58, paragraph 2 of the German Stock Corporation Act. The Management Board, with the approval of the Supervisory Board, decides on the additional content of the share rights and the conditions of share issue (Authorized Capital 2021/I).

Conditional capital

As of 30 September 2022, the Company's Articles of Associations provided for a conditional capital amounting to up to €260,000,000:

- › Pursuant to section 4, paragraph 6, of the Articles of Association the share capital is conditionally increased by up to €260,000,000 through the issue of up to 130,000,000 new no par value registered shares for the granting of shares to creditors or the holders of warrants or convertible bonds, which due to the authorization by the Annual General Meeting on 20 February 2020 are issued by the Company or a subsidiary company (Conditional Capital 2020/1).

Hybrid capital

Infineon Technologies AG issued a perpetual hybrid bond on 1 October 2019 to refinance the acquisition of Cypress, which is an equity instrument under IAS 32. The term is not contractually limited; the bond has no final maturity date. The hybrid bond can only be canceled by Infineon subject to certain conditions. The investors have no cancellation rights and cannot trigger a premature repayment liability for Infineon. Distributions are at Infineon's sole discretion.

In the 2022 fiscal year, €39 million (2021: €39 million) was recognized in equity as compensation to hybrid capital investors. For the purpose of calculating earnings per share, the profit (loss) for the period attributable to the shareholders and hybrid capital investors of Infineon Technologies AG of €2,179 million (2021: €1,169 million) was reduced by compensation to the hybrid capital investors of €29 million (2021: €26 million; net of tax), to €2,150 million (2021: €1,143 million) (see note 7, [p. 108 f.](#)).

The hybrid capital investors' compensation is paid in arrears on 1 April of each year, subject to repayment or redemption. On 1 April 2022, €39 million (2021: €39 million) was paid out to the hybrid capital investors.

Retained earnings

The following table shows a reconciliation of retained earnings as of 30 September 2022 and 2021:

€ in millions	
As of 1 October 2020	435
Profit (loss) for the period attributable to shareholders and hybrid capital investors of Infineon Technologies AG	1,169
Dividends to shareholders of Infineon Technologies AG	(286)
Compensation of hybrid capital investors	(39)
Actuarial gains (losses) on pensions and similar commitments net of tax of €11 million	128
As of 30 September 2021	1,407
Profit (loss) for the period attributable to shareholders and hybrid capital investors of Infineon Technologies AG	2,179
Dividends to shareholders of Infineon Technologies AG	(351)
Compensation of hybrid capital investors	(39)
Actuarial gains (losses) on pensions and similar commitments net of tax of €25 million	310
As of 30 September 2022	3,506

“Actuarial gains (losses) on pensions and similar commitments” contain the share of profit (loss) of associates and joint ventures accounted for using the equity method in the 2022 fiscal year of €3 million (2021: €0 million).

Dividends

For the 2021 fiscal year, a cash dividend of €0.27 per share (total amount: €351 million) was paid. For the 2020 fiscal year, a cash dividend of €0.22 per share (total amount: €286 million) was paid.

With regard to the 2022 fiscal year, a dividend of €0.32 for each share entitled to a dividend shall be proposed to be paid from the €418 million of distributable profits of Infineon Technologies AG. This would result in an expected distribution of approximately €417 million. The payment of this dividend depends on the approval of the Annual General Meeting on 16 February 2023.

Other reserves

Changes in other reserves during the 2022 and 2021 fiscal years were as follows:

€ in millions	2022			2021		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation differences	1,369	–	1,369	90	–	90
Unrealized gains (losses) resulting from hedge accounting	(2)	–	(2)	(1)	–	(1)
Realized gains (losses) resulting from hedge accounting	7	(1)	6	48	17	65
Total	1,374	(1)	1,373	137	17	154

20 Capital management

Infineon's main capital management objective is to ensure financial flexibility on the basis of a solid capital structure. It is of prime importance that sufficient cash funds are available to finance operating activities and planned investments throughout all phases of the business cycle. On the other hand, debt should only constitute a modest portion of the financing mix.

Based on these principles and the clear intention to operate only in the investment grade rating, Infineon has derived long-term key objectives for capital management. For liquidity, the gross cash should amount to €1 billion plus at least 10 percent of revenue. Infineon's gross financial debt is capped at a maximum of two times EBITDA. As a result of the acquisition of Cypress, Infineon had temporarily exceeded its gross debt target, but only to an extent that was still compatible with maintaining the investment grade rating. The original medium-term objective of Infineon to reduce its debt level to or below the maximum target value after the closing of the Cypress transaction has already been achieved in the 2022 fiscal year.

Infineon is not subject to any statutory capital requirements, nor are any such defined in the Articles of Association.

Capital management, as well as the corresponding targets and definitions, are based on indicators determined on the basis of the consolidated IFRS financial statements. Gross cash is defined as the total of cash and cash equivalents and financial investments. Gross financial debt comprises short-term and long-term financial debt. Infineon defines EBITDA as earnings (loss) from continuing operations before interest, taxes and depreciation and amortization.

The gross cash position decreased from €3,922 million as of 30 September 2021, to €3,717 million as of 30 September 2022 (for details, see the chapter "Review of liquidity" in the Combined Management Report, [p. 55](#)). Based on revenues of €14,218 million, the ratio of gross cash to revenue as of 30 September 2022 was €1 billion, plus an additional 19.1 percent of revenue (previous year: €1 billion plus 26.4 percent of revenue).

With gross financial debt of €5,662 million as of 30 September 2022 (30 September 2021: €6,585 million) following the financing of the acquisition of Cypress, and EBITDA of €4,518 million for the 2022 fiscal year (2021: €2,982 million), the gross debt to EBITDA ratio was 1.3 as of 30 September 2022 (30 September 2021: 2.2). Infineon continues to have sufficient financial flexibility to ensure that, in addition to financing its planned investments, it is also able to regularly pay dividends (see note 19, [p. 125](#)).

The USPP notes totaling US\$2,235 million issued in April 2016 and June 2021 contain a number of standard covenants, including a debt coverage ratio, which provides for a certain relationship between the size of debt (adjusted) and earnings (adjusted).

In the 2022 fiscal year, Infineon has met the minimum requirements of all covenants. Should Infineon not comply with the covenants attached to the USPP notes, then all USPP notes outstanding as of 30 September 2022 amounting to US\$2,235 million (see note 15, [p. 116](#)) could become immediately repayable.

21 Share-based payment

The Company makes use of the Performance Share Plan and the Restricted Stock Unit Plan, in order to provide share-based payments.

Performance Share Plan

A Long-Term Incentive (LTI) plan, the so-called Performance Share Plan, was developed for the members of the Management Board and selected senior executives.

Under this plan, (virtual) performance shares are initially provisionally granted on 1 April (up to the 2020 fiscal year: 1 March) of the fiscal year according to a predetermined LTI grant amount in euros.

Plan conditions for tranches up to and including 1 March 2020

With the granting of a (virtual) performance share, the participants in the plan acquire the right to receive a (real) Infineon shares once a personal investment in Infineon shares – depending on position and LTI grant amount – has reached a four-year holding period.

For the tranches up to and including 1 March 2020, the performance shares are split between 50 percent performance-related shares and 50 percent that are not dependent on performance. The performance-related shares are finally granted only when the Infineon share outperforms the Philadelphia Semiconductor Index (SOX) during the period between the date of the provisional allocation and the end of the vesting period. If at the end of the vesting period the requirements for an allocation of performance shares – either all or only those that are not performance-related – are fulfilled, then entitlement to the transfer of the corresponding number of (real) Infineon shares is acquired. The value of the performance shares ultimately assigned to members of the Management Board must not exceed 250 percent of the respective LTI grant amount; above this cap, performance shares lapse.

The fair value of the performance shares at the date of allocation was determined by an external expert using a recognized financial-mathematical method (Monte Carlo simulation model for the prediction of share price and index developments).

The fair value of the instruments granted was determined, taking into account future dividends as well as the payment cap.

The following is an overview of the allocations made:

Tranche	End of the waiting period	Average share price in the nine months before grant in €	Number of performance shares outstanding as of 30 September 2022	Fair value per performance share in €
2020 fiscal year: Employees	29 February 2024	18.10	975,402	12.95
2020 fiscal year: Members of the Management Board	29 February 2024	18.10	70,850	12.50
2019 fiscal year: Employees	28 February 2023	20.02	688,510	14.20
2019 fiscal year: Members of the Management Board	28 February 2023	20.02	44,954	13.79

Plan conditions for tranches from 1 April 2021

With the granting of a (virtual) performance share, the participants in the plan acquire the right to receive (real) Infineon shares once a personal investment in Infineon shares – depending on position and LTI grant amount – has reached a four-year holding period. The number of real Infineon shares to be transferred depends on the achievement of targets during the performance period.

The performance period begins on 1 October of the first fiscal year of the performance period and ends four years later on 30 September. Performance during the performance period is measured using the relative total shareholder return (TSR) financial performance criterion compared to companies in a selected industry peer group, together with non-financial performance criterion comprising strategy-derived environmental, social & governance (ESG) objectives. The TSR target accounts for 80 percent and the ESG 20 percent of the overall target achievement. TSR and the ESG target achievements can be between 0 percent and 150 percent.

The tranche is granted on 1 April in the first fiscal year of the performance period (allocation day). The vesting period begins on the allocation day. In contrast to the performance period, the vesting period ends four years after the allocation day, i.e., on 31 March. At the end of the four-year performance period, the target achievement is determined.

The final number of performance shares to be allocated after the expiry of the vesting period is determined by multiplying the number of provisionally allocated performance shares by the overall target achievement of the two performance criteria during the performance period. The final allocation of the performance shares within an LTI tranche may not result in a profit (before tax) of more than 250 percent of the respective LTI grant amount; above this cap, all performance shares still to be allocated lapse.

The fair value of the performance shares at the date of allocation was determined by an external expert using a recognized financial-mathematical method (Monte Carlo simulation model for the prediction of the share price development and the TSR target achievements). The fair value of the instruments granted is determined taking into account future dividends as well as the payment cap.

The following is an overview of the allocations made:

Tranche	End of the waiting period	Average share price in the 60 trading days before the start of the performance period in €	Number of performance shares outstanding as of 30 September 2022	Fair value per performance share in €
2022 fiscal year: Employees	31 March 2026	34.85	510,720	27.63
2022 fiscal year: Members of the Management Board	31 March 2026	34.85	148,737	27.63
2021 fiscal year: Employees	31 March 2025	22.82	545,202	28.87
2021 fiscal year: Members of the Management Board	31 March 2025	22.82	178,213	28.87

The development of the performance shares is as follows:

in number of shares (in millions)	2022	2021
Outstanding performance shares at the beginning of the fiscal year	3.3	3.5
Granted	0.7	0.8
Allocated	(0.3)	(0.5)
Forfeited	(0.5)	(0.5)
Outstanding performance shares as of the end of the fiscal year	3.2	3.3

Restricted Stock Unit Plan

Under this plan, (virtual) restricted stock units are initially provisionally granted on 1 April (up to the 2020 fiscal year: 1 March) of the fiscal year according to a predetermined LTI grant amount in euros. With the allocation of a (virtual) restricted stock unit, the plan participants acquire the right to receive a (real) Infineon share after the expiry of the vesting period, provided that the employees are still employed by Infineon at this time. The final allocation is made in stages (each representing 25 percent of the provisionally allocated restricted stock units) after the expiry of the vesting period of one year following allocation.

The fair value of the restricted stock units at the date of allocation was determined by an external expert using a recognized financial-mathematical method (Monte Carlo simulation model for the prediction of share price developments). The fair value of the instruments granted is determined, taking into account future dividends.

The following is an overview of the allocations made:

Tranche	End of the waiting period	Price of an Infineon share as of the grant date in €	Number of restricted stock units as of 30 September 2022	Fair value per restricted stock unit in €
2022 fiscal year:				
1st tranche	31 March 2023	30.99	784,116	30.68
2nd tranche	31 March 2024	30.99	784,116	30.33
3rd tranche	31 March 2025	30.99	784,116	29.96
4th tranche	31 March 2026	30.99	784,116	29.56
2021 fiscal year:				
2nd tranche	31 March 2023	36.16	317,942	35.60
3rd tranche	31 March 2024	36.16	317,942	35.29
4th tranche	31 March 2025	36.16	317,942	34.87
2020 fiscal year:				
3rd tranche	28 February 2023	18.62	75,812	17.65
4th tranche	29 February 2024	18.62	75,812	17.31
2019 fiscal year:				
4th tranche	28 February 2023	19.66	55,763	18.58

The development of the restricted stock units is as follows:

in number of shares (in millions)	2022	2021
Outstanding restricted stock units at the beginning of the fiscal year	1.8	0.7
Granted	3.3	1.4
Allocated	(0.5)	(0.2)
Forfeited	(0.3)	(0.1)
Outstanding restricted stock units as of the end of the fiscal year	4.3	1.8

Costs for share-based payment

The costs for share-based payment amounted to €62 million in the 2022 fiscal year (2021: €27 million).

22 Other financial commitments

In addition to provisions and liabilities, there were other financial obligations that were not recognized in the Consolidated Statement of Financial Position. These resulted, in particular, from unconditional purchase commitments, which are explained in more detail below.

Contracts already entered into for commenced or planned investments in property, plant and equipment (purchase commitments) as of 30 September 2022 amounted to €2,344 million (30 September 2021: €894 million). Commitments arising from orders placed for investments in intangible asset projects amount to €6 million as of 30 September 2022 (30 September 2021: €1 million).

In the course of its investing activities, Infineon also receives government grants related to the construction and financing of certain of its manufacturing facilities. Grants are also received for selected research and development projects. Certain grants have been received contingent upon Infineon complying with particular project-related requirements, such as creating a specified number of jobs over a defined period of time. From today's perspective, Infineon expects to comply with these requirements. Nevertheless, should such requirements not be met, as of 30 September 2022, a maximum of €275 million (30 September 2021: €236 million) of subsidies already received could be refundable.

Through certain sales and other agreements, Infineon may be obligated in the normal course of business to indemnify or compensate its counterparties under certain conditions for warranties, patent infringement or other matters. The maximum amount of potential future payments under these types of agreements is not predictable with any degree of certainty since the potential obligations are contingent on events that

may or may not occur in the future and depend on certain facts and circumstances specific to each agreement. Historically, payments made by Infineon under these types of agreements have not had a material effect on Infineon's financial condition, liquidity position and results of operations.

23 Legal risks

Litigation and government inquiries

Smart card chips antitrust litigation

In October 2008, the EU Commission initiated an investigation into the Company and other manufacturers of chips for smart cards for alleged violations of antitrust laws. In September 2014, the EU Commission imposed a fine of €83 million on Infineon, which in July 2020 was reduced to €76.9 million by the General Court of the European Union.

In July 2019, a direct customer filed a lawsuit against Infineon Technologies UK Limited and several Renesas entities in London (United Kingdom) relating to the aforementioned EU antitrust case. The London court dismissed the complaint for being time-barred. The dismissal was confirmed by the Court of Appeal. The plaintiff filed a further appeal to the UK Supreme Court.

Any further statements about this matter by the Company could seriously compromise the Company's position in this dispute.

Proceedings in relation to Qimonda

All significant assets, liabilities and business activities attributable to the memory business (Memory Products) were carved out from Infineon and transferred to Qimonda in the form of a contribution in kind with economic effect from 1 May 2006. Qimonda filed an application at the Munich local court to commence insolvency proceedings on 23 January 2009. On 1 April 2009, the insolvency proceedings were formally opened. The insolvency of Qimonda has given rise to various disputes between the insolvency administrator and Infineon.

Alleged activation of a shell company and liability for impairment of capital

The insolvency administrator filed a request for declaratory judgment in an unspecified amount against Infineon Technologies AG and, by way of third-party notice, Infineon Technologies Holding B.V. and Infineon Technologies Investment B.V., at Regional Court Munich I in November 2010. This requested that Infineon be deemed liable to make good the deficit balance of Qimonda as it stood when the insolvency proceedings in respect of the assets of Qimonda began, i.e., to refund to Qimonda the difference between the latter's actual business assets when the insolvency proceedings began and its share capital (in German: "Unterbilanzhaftung"). The insolvency administrator contended that the commencement of operating activities by Qimonda amounted to what is considered in case law to be the activation of a shell company (in German: "Wirtschaftliche Neugründung"), and that this activation of a shell company was not disclosed in the correct manner. On 6 March 2012, with respect to another matter, the German Federal High Court issued a ruling on principle that any liability resulting from the activation of a shell company only depends on the situation at the date of the activation of a shell company and not, as asserted by the insolvency administrator, on the situation at the date on which insolvency proceedings are opened.

In addition to the request for declaratory judgment against Infineon in an unspecified amount, on 14 February 2012 the insolvency administrator also lodged a request for payment based on an alternative claim (in German: "Hilfsantrag"), as well as making other additional claims. In conjunction with this alternative claim, the insolvency administrator has requested the payment of at least €1.71 billion plus interest in connection with the alleged activation of a shell company. On 15 June 2012, the insolvency administrator increased his request for the payment of 14 February 2012 on the grounds of activation of a shell company to at least approximately €3.35 billion plus interest. Furthermore, the insolvency administrator continues to base a substantial part of his alleged payment claims, as already asserted out of court against Infineon in August 2011 for an unspecified amount, on liability for impairment of capital (in German: "Differenzhaftung"). This claim is based on the allegation that, from the very beginning, the carved-out memory products business had a negative billion euro value. The insolvency administrator therefore asserts that Infineon is obliged to make good

the difference between this negative value and the lowest issue price (in German: “geringster Ausgabebetrag”) of the subscribed stock. Additionally, the insolvency administrator has asserted a claim for repayment of allegedly unjustly charged consultancy fees in an amount of €10 million in connection with the flotation of Qimonda.

The alleged impairment of capital runs contrary to two valuations prepared as part of the preparatory documentation for the capital increase by independent auditing companies, one of which had been engaged by Infineon and the other of which was acting in the capacity of a court-appointed auditor of contributions in kind and post-formation acquisitions. The auditing company engaged by Infineon concluded in its valuation that the business area contributed had a value of several times the lowest issue price of the shares issued, while the court-appointed auditor of contributions in kind and post-formation acquisitions confirmed to the court that the lowest issue price of the shares issued was covered – as legally required – by the value of the contributions in kind. Additionally, in the course of its defense against the claims asserted by the insolvency administrator, Infineon has commissioned several expert opinions, all of which arrived at the same conclusion that the objections raised by the insolvency administrator against the valuation of the contribution in kind are not valid.

The legal dispute has, in the meantime, focused on the claims asserted for alleged lack of value. On 29 August 2013, the court appointed an independent expert to clarify the valuation issues raised by the insolvency administrator and to address technical matters.

The legal dispute is being pursued with great effort by both parties, and many extensive written submissions have already been exchanged between the parties. Both sides have engaged numerous specialists and experts who are supporting the respective parties with assessments and opinions.

On 21 September 2018, in consultation with the parties, the independent expert appointed by the court presented an interim report on his preliminary assessment of the value of the contribution in kind. The Company is in principle prepared to conduct discussions about an out-of-court settlement of the legal dispute on the basis of the interim report.

The parties are exchanging further written submissions. It is not clear at this stage if the legal dispute can be resolved with an out-of-court settlement, and, if this is not the case, when a first-instance court decision would be reached.

Residual liability of Infineon as former shareholder of Qimonda Dresden GmbH & Co. OHG

Infineon was a shareholder with personal liability of Qimonda Dresden until the carve-out of the memory business; as a result, certain long-standing creditors have residual liability claims against Infineon. These claims can only be exercised by the insolvency administrator acting in the name of the creditors concerned. In the meantime, settlements have been concluded with most of the major liability creditors.

Liabilities, provisions and contingent liabilities relating to Qimonda

Infineon recognizes provisions and liabilities for such obligations and risks, which it assesses at the end of each reporting period, are more likely than not to be incurred (that is where, from Infineon’s perspective at the end of each reporting period, the probability of having to settle an obligation or risk is greater than the probability of not having to) and the obligation or risk can be estimated with reasonable accuracy at this time.

As described above, Infineon faces certain risks in connection with the insolvency proceedings relating to the assets of Qimonda and that entity’s subsidiaries. In consideration of the interim report from the court-appointed expert, Infineon recorded provisions relating to Qimonda of €211 million in total as of 30 September 2022. This comprises mainly provisions for the still pending legal dispute over the alleged activation of a shell company and liability for impairment of capital, including legal costs. As of 30 September 2021, provisions relating to Qimonda amounted to €211 million.

There can be no certainty that the provisions recorded for Qimonda will be sufficient to cover all of the liabilities that could ultimately be incurred in relation to the insolvency of Qimonda and, in particular, the matters discussed above. In addition, it is possible that liabilities and risks materialize that are currently considered to be unlikely to do so and, accordingly, represent contingent liabilities that are not included in provisions. Should the alleged claims relating to the activation of a shell company and liability for impairment of capital prove to be valid, substantial financial obligations above the provisions already recorded could arise for Infineon, which could have an adverse effect on its business and its financial condition, liquidity position and results of operations.

Other

Infineon is also involved in various other legal disputes and proceedings in connection with its existing or previous business activities. These can relate, in particular, to products, services, patents, export control and environmental issues and other matters.

Based on its current knowledge, Infineon does not believe that the ultimate resolution of these other pending legal disputes and proceedings will have a material adverse effect on Infineon's financial condition, liquidity position and results of operations. However, future revisions to this assessment cannot be ruled out, and any reassessment of the miscellaneous legal disputes and proceedings could have a material adverse effect on the financial condition, liquidity position and results of operations, particularly in the period in which reassessment is made.

Furthermore, in connection with its existing or previous business operations, Infineon is also exposed to numerous legal risks, which have until now not resulted in legal disputes. These include risks related to product liability, environment, capital market, anti-corruption, competition and antitrust legislation as well as export control and other compliance regulations. Claims could also be made against Infineon in connection with these matters in the event of breaches of law committed by individual employees or third parties.

As part of an audit finding relating to the tax treatment of losses from the repurchase of convertible bonds in the 2011, 2012 and 2014 fiscal years, there were contingent liabilities of €63 million as of 30 September 2022 (2021: €55 million) for withholding tax on capital gains to be paid in arrears as well as corporate income tax and trade tax of €3 million (2021: €0 million), in each case plus interest. Suspension of enforcement was granted as part of the ongoing appeal proceedings for 2011 and 2012. After completion of the current tax audit, suspension of enforcement will also be applied for 2014 and the appeal proceedings will be extended accordingly. Infineon expects that there is a sufficient degree of likelihood of winning any potential appeal or legal action.

Provisions and contingent liabilities for legal proceedings and other uncertain legal issues

Provisions relating to legal proceedings and other uncertain legal issues are recorded when it is probable that a liability has been incurred and the associated amount can be reasonably estimated. To the extent that liabilities arising from legal disputes and other uncertain legal positions are not probable or cannot be reliably estimated, then they qualify as contingent liabilities.

Any potential liability is reviewed again as soon as additional information becomes available and the estimates are revised if necessary. Provisions with respect to these matters are subject to future developments or changes in circumstances in each of the matters, which could have a material adverse effect on Infineon's financial condition, liquidity position and results of operations.

A settlement or adverse judicial decision in any of the matters described above could result in significant financial liabilities for Infineon and other adverse effects, and these in turn could have a material adverse effect on its business and financial condition, liquidity position and results of operations. Irrespective of the validity of the allegations and the success of the aforementioned claims and other matters described above, Infineon could incur significant costs in the defense of these matters.

24 Transactions with related companies and persons

Infineon has transactions in the normal course of business with joint ventures, associates and other related companies (collectively "related companies"). The related companies are disclosed in note 29, [p. 157 ff.](#) Related persons are persons in key management positions, in particular members of the Management and Supervisory Board (see note 29, [p. 154 ff.](#)) and their close relatives (collectively "related persons").

Related companies

Infineon purchases certain raw materials and services from and sells certain products and services to related companies.

Related companies receivables and payables as of 30 September 2022 and 2021 consisted of the following:

€ in millions	30 September 2022			30 September 2021		
	Joint ventures	Associates	Other related companies	Joint ventures	Associates	Other related companies
Trade and other receivables	8	2	–	6	3	–
Financial receivables	35	–	–	33	1	–
Trade and other payables	8	–	2	7	–	2
Financial payables	–	–	1	–	–	2

Sales and service charges to and products and services received from related companies in the 2022 and 2021 fiscal years consisted of the following:

€ in millions	2022			2021		
	Joint ventures	Associates	Other related companies	Joint ventures	Associates	Other related companies
Sales and service charges	115	21	1	75	18	3
Products and services received	100	–	19	80	–	20

As of 30 September 2022, sales and services relationships with related companies resulted in purchase commitments of €37 million (30 September 2021: €22 million).

Related persons

Total remuneration of the Management Board and Supervisory Board according to IAS 24.17

The members of the Management Board and Supervisory Board active in the 2022 and 2021 fiscal years received the following remuneration for their activities in accordance with IAS 24.17:

€ in millions	2022	2021
Expense for short-term benefits ¹	11	8
Expense for share-based payment	2	1
Expense from post-employment benefits	1	1
Expense for termination benefits ²	11	-
Total remuneration of the Management Board	25	10
Total remuneration of the Supervisory Board³	3	2
Total remuneration of the executive bodies	28	12

¹ The expense includes the fixed remuneration, including fringe benefits and the one-year variable remuneration (STI).

² Dr. Reinhard Ploss and Dr. Helmut Gassel resigned from the Management Board of Infineon Technologies AG on 31 March 2022 and 31 May 2022, respectively. Their employment contracts run until 31 December 22 and 30 September 2022, respectively. Dr. Reinhard Ploss and Dr. Helmut Gassel are entitled to all remuneration entitlements for this period. In addition, Dr. Helmut Gassel was granted a severance payment and a post-contractual non-competition clause running until November 2023 was agreed, for which Dr. Helmut Gassel will receive a waiting allowance.

³ The employee representatives on the Supervisory Board employed by Infineon also received a salary for their work as employees.

Total remuneration of the Management Board and Supervisory Board pursuant to section 314, paragraph 1, no. 6 in conjunction with section 315e, paragraph 1, HGB

The total remuneration of the members of the Management Board for their active service pursuant to section 314, paragraph 1, no. 6 in conjunction with section 315e, paragraph 1, HGB amounted to €15 million (2021: €13 million). This includes a long-term incentive (LTI) in the form of a performance share plan (see note 21, [p. 127 f.](#)). A total of 148,737 (virtual) performance shares (2021: 178,213) were provisionally

allocated to the members of the Management Board in the 2022 fiscal year. The fair value of these provisionally allocated (virtual) performance shares amounted to €4 million (2021: €5 million).

The total remuneration of the members of the Supervisory Board in the 2022 fiscal year amounted to €3 million (2021: €2 million).

Former members of the Management Board received payments (in particular pension payments) of €3 million in the 2022 fiscal year (2021: €3 million). Dr. Reinhard Ploss and Dr. Helmut Gassel were granted remuneration totaling €4 million in connection with the termination of their employment in the 2022 fiscal year.

As of 30 September 2022, pension obligations for former members of the Management Board (including Dr. Reinhard Ploss and Dr. Helmut Gassel) amounted to €63 million (30 September 2021: €72 million).

In the 2022 and 2021 fiscal years, there were no significant transactions between Infineon and related persons that fall outside of the scope of the existing employment, service or appointment terms, or of the contractual arrangements for their remuneration.

With regard to the disclosures on the individual remuneration of the members of the Management Board and Supervisory Board pursuant to section 162 of the German Stock Corporation Act (AktG), reference is made to the Remuneration Report prepared according to stock corporation law, which can be found under the following link.

www.infineon.com/remuneration-report

The references to the Remuneration Report are not audited as part of the audit of the financial statements. The Remuneration Report was subjected to a separate substantive audit by the auditor in accordance with IDW PS 490. This audit also includes the formal audit required by section 162, paragraph 3, of the German Stock Corporation Act (AktG).

25 Supplemental cash flow information

Cash and cash equivalents reported as of 30 September 2022 and 2021 totaling €1,438 million and €1,749 million, respectively, included €69 million and €104 million, respectively, which were subject to legal transfer restrictions and so were not available for general use by Infineon. This amount represented cash and cash equivalents

of consolidated companies located in countries where the transfer of cash is legally restricted, for example, China.

The reconciliation below shows changes in those financial liabilities and hedging transactions for which payments received and made are shown under cash flows from financing activities in the statement of cash flows.

€ in millions	Starting balance	Cash-effective changes	Non-cash-effective changes				Ending balance
			Acquisitions	Currency effects	New leases	Other changes	
The 2022 fiscal year							
Short-term and long-term financial debt	6,585	(1,393)	3	461	-	6	5,662
Related party financial payables	2	(1)	-	-	-	-	1
Current and non-current lease liabilities	331	(84)	-	17	122	-	386
Total	6,918	(1,478)	3	478	122	6	6,049
The 2021 fiscal year							
Short-term and long-term financial debt	7,033	(487)	-	29	-	10	6,585
Related party financial payables	1	1	-	-	-	-	2
Current and non-current lease liabilities	294	(76)	-	3	110	-	331
Total	7,328	(562)	-	32	110	10	6,918

26 Additional disclosures on financial instruments

Categories of financial instruments

The following tables present the carrying amounts and the fair values of financial instruments by their respective classes and a breakdown by category of financial instruments as of 30 September 2022 and 2021 according to IFRS 9:

	Carrying amount	Categories of financial assets		Fair value
		At fair value through profit or loss	At amortized cost	
Financial assets, € in millions				
As of 30 September 2022				
Current assets:				
Cash and cash equivalents	1,438	1,045	393	1,438
Financial investments	2,279	2,039	240	2,279
Trade receivables	1,887	–	1,887	1,887
Other current assets	239	5	234	239
Non-current assets:				
Other non-current assets	268	108	160	268
Total	6,111	3,197	2,914	6,111

	Carrying amount	Categories of financial assets		Fair value
		At fair value through profit or loss	At amortized cost	
Financial assets, € in millions				
As of 30 September 2021				
Current assets:				
Cash and cash equivalents	1,749	1,456	293	1,749
Financial investments	2,173	1,066	1,107	2,173
Trade receivables	1,483	–	1,483	1,483
Other current assets	156	2	154	156
Non-current assets:				
Other non-current assets	193	114	79	193
Total	5,754	2,638	3,116	5,754

	Carrying amount	Categories of financial liabilities		Not assignable to any IFRS 9 measurement category		Fair value
		At fair value through profit or loss	Other financial liabilities (amortized cost)	Designated hedging instruments (cash flow hedges)	Others	
Financial liabilities, € in millions						
As of 30 September 2022						
Current liabilities:						
Short-term financial debt and current portion of long-term financial debt	752	-	752	-	-	742
Trade payables	2,260	-	2,260	-	-	2,260
Current lease liabilities	76	-	-	-	76	-
Other current liabilities	975	22	950	3	-	975
Non-current liabilities:						
Long-term financial debt	4,910	-	4,911	-	-	4,333
Non-current lease liabilities	310	-	-	-	310	-
Other non-current liabilities	67	-	67	-	-	67
Total	9,350	22	8,940	3	386	8,377
As of 30 September 2021						
Current liabilities:						
Short-term financial debt and current portion of long-term financial debt	833	143	690	-	-	840
Trade payables	1,569	-	1,569	-	-	1,569
Current lease liabilities	66	-	-	-	66	-
Other current liabilities	751	5	745	1	-	751
Non-current liabilities:						
Long-term financial debt	5,752	-	5,752	-	-	6,049
Non-current lease liabilities	265	-	-	-	265	-
Other non-current liabilities	72	-	72	-	-	72
Total	9,308	148	8,828	1	331	9,281

Within financial assets measured at amortized cost, financial assets with a carrying amount of €14 million (previous year: €12 million) were included as of 30 September 2022, which Infineon has pledged mainly as collateral for rental liabilities and contingent liabilities.

In the 2022 and 2021 fiscal years, there were no reclassifications between the categories of financial instruments.

Disclosures about fair value

Financial instruments at fair value

Financial instruments measured at fair value are allocated to the following measurement levels in accordance with IFRS 13. The allocation to the different levels is based on the market proximity of the valuation parameters used in the determination of the fair values:

- › Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities,
- › Level 2: valuation parameters whose prices are not the ones considered in Level 1, but which can be observed either directly or indirectly for the asset or liability,
- › Level 3: valuation parameters for assets and liabilities that are not based on observable market data.

The allocation to the levels as of 30 September 2022 and 2021 was as follows:

€ in millions	Fair value	Fair value by category		
		Level 1	Level 2	Level 3
30 September 2022				
Current assets:				
Cash and cash equivalents	1,045	1,045	-	-
Financial investments	2,039	2,039	-	-
Other current assets	5	-	5	-
Non-current assets:				
Other non-current assets	108	94	-	14
Total	3,197	3,178	5	14
Current liabilities:				
Other current liabilities	25	-	25	-
Total	25	-	25	-
30 September 2021				
Current assets:				
Cash and cash equivalents	1,456	1,456	-	-
Financial investments	1,066	1,066	-	-
Other current assets	2	-	2	-
Non-current assets:				
Other non-current assets	114	94	4	16
Total	2,638	2,616	6	16
Current liabilities:				
Short-term financial debt and current portion of long-term financial debt	143	-	143	-
Other current liabilities	6	-	6	-
Total	149	-	149	-

Cash equivalents and financial investments included investments in money market funds and investment funds (Level 1).

Other current assets and other current liabilities contained derivative financial instruments (including cash flow hedges to hedge planned raw material purchases). Their fair value was determined by discounting future cash flows according to the discounted cash flow method. Where possible, valuation parameters observed on the reporting date in the relevant markets (such as currency rates, interest rates, or commodity prices) drawn from reliable external market data providers were used (level 2).

Other non-current assets included equity investments and investments in funds. Where these are traded on an active market, the fair value was based on the actual market price (level 1). For equity investments where no market price from an active market is available, the fair value was determined by considering existing contractual arrangements based on externally observable dividend policy (level 3). In addition, other non-current assets included derivative financial instruments whose fair value was calculated using recognized financial-mathematical models, with only observable input parameters included in the measurement (level 2).

The following table shows the reconciliation of financial instruments classified as level 3 (before tax):

€ in millions	Level 3-equity investments
1 October 2020	17
Sales (including disposals) ¹	(13)
Unrealized losses recognized in profit or loss ²	(1)
Realized gains recognized in profit or loss ^{1,2}	13
30 September 2021	16
Unrealized losses recognized in profit or loss ²	(2)
30 September 2022	14

1 This relates to the sale of an investment acquired in the course of the acquisition of Cypress.
2 This relates to gains recognized in financial income or losses recognized in financial expenses.

A hypothetical change in the material on the market non-observable valuation parameters at the balance sheet date of ± 10 percent would have resulted in a theoretical reduction in fair values of €1 million or an increase of €1 million (previous year: both €1 million).

Financial instruments at amortized cost

For assets allocated to the category “At amortized cost”, it is assumed that the fair values correspond to their carrying amounts. The same assumption applies to liabilities resulting from trade payables and other current liabilities categorized as “Other financial liabilities (amortized cost)”.

The fair value of current and non-current financial debt that is measured at amortized cost is based either on quoted prices as of the reporting date (level 1) or is determined based on expected future cash flows discounted using a current market interest rate (level 2).

The allocation to the levels of current and non-current financial debt measured at amortized cost as of 30 September 2022 and 2021 was as follows:

€ in millions	Fair value	Fair value by category		
		Level 1	Level 2	Level 3
30 September 2022				
Short-term financial debt and current portion of long-term financial debt	742	739	3	-
Long-term financial debt	4,333	2,353	1,980	-
Total	5,075	3,092	1,983	-
30 September 2021				
Short-term financial debt and current portion of long-term financial debt	697	504	193	-
Long-term financial debt	6,049	3,077	2,972	-
Total	6,746	3,581	3,165	-

Gains and losses in relation to financial instruments

The net gain or loss on financial instruments (including interest income and expense) within continuing operations in the Consolidated Statement of Profit or Loss amounted to the following as of 30 September 2022 and 2021:

€ in millions	2022	2021
Financial assets measured at amortized cost	255	24
therein interest income	11	5
therein impairment losses	1	-
therein foreign currency exchange	243	19
Financial assets measured at fair value through profit and loss	(13)	13
Financial liabilities measured at amortized cost	(544)	(177)
therein interest expenses	(129)	(139)
therein foreign currency exchange	(414)	(36)
therein other financial expenses	(1)	(2)
Financial liabilities at fair value through profit or loss	-	(2)
Financial assets or liabilities measured at fair value through profit and loss - held for trading	118	3
therein foreign currency exchange	118	3
Total	(184)	(139)

Interest expense on financial liabilities measured at amortized cost mainly included interest on financial debt and effects from using the effective interest method.

Infineon does not net financial instruments. Infineon conducts derivative transactions according to the global netting agreement (Master Agreement) of the International Swaps and Derivatives Association (ISDA) and other comparable national framework agreements. Under the terms of these agreements, any netting arising from the occurrence of certain future events would have had no material effect on the balance sheet presentation of these financial instruments.

Derivative financial instruments and hedging activities

Infineon holds derivative financial instruments exclusively for hedging purposes. This includes the use of forward exchange contracts and interest- and commodity swaps. The objective is to reduce the impact of the exchange rate, interest rate and commodity price fluctuations on future net cash flows.

Derivative financial instruments not designated as a hedging relationship

The nominal values and fair values of Infineon's derivative instruments as of 30 September 2022 and 2021 that were not designated as cash flow hedges were as follows:

€ in millions	30 September 2022		30 September 2021	
	Nominal value	Fair value	Nominal value	Fair value
Forward exchange contracts sold	420	(18)	280	(5)
Forward exchange contracts purchased	337	1	236	2
Total		(17)		(3)

Derivative financial instruments designated as a hedging relationship

As of 30 September 2022 and 2021, Infineon held the following instruments, which were designated as cash flow hedges and were used to hedge against commodity price changes:

	Short term
30 September 2022	
Hedging of other risks	
Commodity swaps	
Nominal value (€ in millions)	51
Average price (US dollar/ounce)	1,797
30 September 2021	
Hedging of other risks	
Commodity swaps	
Nominal value (€ in millions)	21
Average price (US dollar/ounce)	1,813

To hedge the price risks of highly probable gold purchases in the 2023 fiscal year, Infineon entered into swaps, which are designated as cash flow hedges. The designated hedged items and the hedging instruments were subject to the same risk. The economic connection was proven by means of a regression analysis. Due to the execution of only highly effective hedging transactions, Infineon assumes that significant ineffective elements will normally not be generated. Infineon applies a hedging ratio of 1:1. Ineffectiveness can be caused mainly by the impact of the credit risks arising from the counterparty and Infineon on the fair value of the swap that is not reflected in the change in the fair value of hedged cash flows attributable to changes in raw material prices. As in the previous year, no hedge ineffectiveness was recorded in the Consolidated Statement of Profit or Loss for these hedging relationships. As in the previous year, no gains or losses were transferred from other reserves to profit or loss as a result of cash flow hedges for future raw material purchases being canceled following the decision that the occurrence of the hedged transaction had become unlikely.

Effects from derivative financial instruments designated as a hedging relationship

The amounts related to positions that were designated as hedged items as of 30 September 2022 and 2021 are shown in the table below. In addition, the table includes the relevant amounts for the transaction-dependent interest rate derivatives entered into in connection with the Cypress acquisition refinancing activities. These interest rate derivatives were settled in full in the 2021 fiscal year.

€ in millions	Change in the value of the hedged item used to determine ineffectiveness	Hedge reserve (before taxes)
30 September 2022		
Hedging of commodity price risks	2	(2)
Total		(2)
30 September 2021		
Hedging of interest risks		
Interest rate swaps	19	(49)
Hedging of commodity price risks	1	(1)
Total		(50)

In the 2022 and 2021 fiscal years, no balances remained in other comprehensive income for which hedge accounting was no longer applied.

The relevant amounts of the derivative financial instruments designated as hedging instruments as of 30 September 2022 and 2021 (before taxes) were as follows:

€ in millions	Carrying amount	Changes in fair value for the measurement of the ineffectiveness in the reporting period	Changes in fair value of the hedging instrument recognized in other comprehensive income	Amount reclassified from hedge reserve to the Statement of Profit or Loss	Amount reclassified from the hedge reserve to the cost of non-financial assets	Line item of the Statement of Financial Position or the Statement of Profit or Loss affected by the reclassification
30 September 2022						
Other current liabilities:						
Hedging of commodity price risks	3	(2)	(2)	-	-	Inventories
Total	3	(2)	(2)	-	-	
30 September 2021						
Other current liabilities:						
Hedging of interest rate risks	-	(21)	44	5	-	Financial expenses
Hedging of commodity price risks	1	(1)	(1)	-	(1)	Inventories
Total	1	(22)	43	5	(1)	

The following table shows the reconciliation for the reserve for cash flow hedges (before taxes) by risk category:

€ in millions	Hedging of interest risks	Hedging of commodity price risks	Total
1 October 2020	(98)	1	(97)
Change in fair value	44	(1)	43
Amount reclassified to Statement of Profit or Loss	5	-	5
Amount reclassified to the cost of non-financial items	-	(1)	(1)
30 September 2021	(49)	(1)	(50)
Change in fair value	-	(2)	(2)
Amount reclassified to Statement of Profit or Loss	8	-	8
30 September 2022	(41)	(3)	(44)

27 Financial risk management

Infineon's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, financing and liquidity risk. Infineon's financial risk management seeks to minimize potential adverse effects on its profitability and liquidity. Infineon uses derivative financial instruments to hedge certain risks to which it is exposed. Financial risk management is carried out by the central Finance & Treasury (FT) department in accordance with policies approved by the Chief Financial Officer. The FT department identifies, evaluates and hedges financial risks in close cooperation with the operating units. The FT department's policies contain principles for overall risk management as well as guidance covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

Geopolitical conflicts such as the war in Ukraine and the ongoing coronavirus pandemic can have direct and indirect effects on financial risks. The course of events and their impact on Infineon's risk position is continually monitored and is taken into account in the methods, models and processes used to control financial risks. Possible longer-term effects on Infineon and the associated volatility in the financial markets cannot actually be estimated more precisely.

Market risk

Market risk is defined as the risk of losses resulting from adverse changes in the market prices of financial instruments, including those related to foreign exchange rates, interest rates and other price risks.

Infineon is exposed to various market risks in the ordinary course of business, primarily resulting from changes in foreign exchange rates and interest rates. Infineon enters into a range of derivative financial transactions with various counterparties to limit such risks. Derivative instruments are used only for hedging purposes and not for trading or speculative purposes.

Foreign exchange risk

Foreign exchange risk within the meaning of IFRS 7 is the risk arising from changes to foreign exchange rates. Accordingly, foreign exchange risks are associated with financial instruments that are denominated in a foreign currency that does not correspond to the functional currency, and the foreign currency represents the relevant risk variable. Risks arising from the translation into Infineon's reporting currency are not risks within the meaning of IFRS 7.

Although Infineon prepares the Consolidated Financial Statements in euros, a varying but significant portion of its revenue, as well as cost of goods sold, research and development and product distribution costs, are denominated in currencies other than the euro, primarily the US dollar. Fluctuations in the exchange rates of these currencies compared to the euro had an effect on the results of Infineon in the 2022 and 2021 fiscal years.

The Management Board has established policies that require Infineon's individual legal entities to manage the foreign exchange risk with respect to their functional currency. Group entities prepare a monthly rolling cash flow forecast by currency in order to determine foreign exchange risks. The net foreign exchange positions determined in these forecasts are required to be hedged, usually by entering into internal hedging contracts. Infineon's policy with respect to limiting short-term foreign currency exposure is to hedge at least 75 percent of its estimated net cash flow for the following two months, at least 50 percent of its estimated net cash flow for the third month and, depending on the nature of the underlying transactions, a certain additional portion for the periods thereafter. Part of the foreign currency risk cannot be mitigated due to differences between actual and forecasted amounts. Infineon calculates this remaining risk based on net cash flows considering items in the Statement of Financial Position, actual orders received or placed and all other planned cash receipts and payments.

For the net result related to foreign currency hedging transactions and foreign currency transactions included within profit (loss) for the period, see note 26. [p. 136 ff.](#)

Foreign exchange risk at Infineon arises predominantly from main foreign currency positions. The following table shows the value of the net risk position as of 30 September 2022 and 2021:

€ in millions	30 September 2022	30 September 2021
Euro/US dollar	(292)	(138)
Euro/Japanese yen	(131)	(64)
Euro/Singapore dollar	(82)	(74)
Euro/Malaysian ringgit	(106)	(42)
Euro/British pound	(7)	-
Financial position exposure	(618)	(318)
Euro/US dollar	(330)	(280)
Euro/Japanese yen	82	116
Euro/Singapore dollar	50	31
Euro/Malaysian ringgit	102	48
Euro/British pound	5	7
Forward exchange contracts	(91)	(78)
Net exposure	(709)	(396)

The following table shows the effects on profit or loss for the 2022 and 2021 fiscal year of a ± 10 percent shift in exchange rates. The assumed exchange rate changes relate only to financial instruments within the meaning of IAS 32.

€ in millions	Profit or Loss	
	plus 10%	minus 10%
30 September 2022	65	(79)
Euro/US dollar	57	(69)
Euro/Japanese yen	5	(6)
Euro/Singapore dollar	3	(4)
Euro/Malaysian ringgit	-	-
30 September 2021	36	(44)
Euro/US dollar	38	(46)
Euro/Japanese yen	(5)	6
Euro/Singapore dollar	4	(5)
Euro/Malaysian ringgit	(1)	1

Interest rate risk

In accordance with IFRS 7, interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

Infineon is exposed to interest rate risk through its financial investment instruments and financial debt resulting from bond issuances and debt financing. Due to the cyclical nature of its core business and the need to maintain high operational flexibility, Infineon holds a relatively high level of liquid financial assets that are invested in short-term fixed-interest instruments. These financial assets generally are invested with a contract duration of between one day and twelve months maturity at interest rates achievable in the short-term. The risk to these assets of changing interest rates was not material in the 2022 fiscal year in view of the previous period of low interest rates.

To reduce the net remaining risks caused by changes in interest rates, Infineon is able to make use of interest rate derivatives in order to align the fixed interest periods of assets and liabilities.

IFRS 7 requires a sensitivity analysis showing the effect of possible changes in market interest rates on profit or loss. Infineon prepares this using the iteration method.

Changes in market interest rates affect Infineon's interest income and expenses from variable-yield financial instruments as well as from fixed-yield financial instruments that were measured at fair value through profit or loss.

The following table shows the effects on profit or loss for the 2022 and 2021 fiscal year of a ± 100 basis points shift in market interest rates:

€ in millions	Nominal value	Profit or loss	
		plus 100 basis points	minus 100 basis points
30 September 2022	3,084	31	(31)
Variable-interest financial assets	3,084	31	(31)
30 September 2021	1,356	15	(24)
Variable-interest financial assets	2,458	25	(25)
Variable-interest financial liabilities	(959)	(10)	1
Fixed-interest financial liabilities measured at fair value through profit or loss	(143)	-	-

Other price risk

According to IFRS 7, other price risk is defined as the risk that the fair value or future cash flows of a financial instrument could fluctuate because of changes in market prices (other than those arising from interest rate risk or exchange rate risk), irrespective of whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

In the 2022 and 2021 fiscal years, Infineon held financial instruments that were exposed to market price risks. A change in the relevant market prices would have had no significant impact on the result of the 2022 and 2021 fiscal years.

Additionally, Infineon is exposed to price risks with respect to raw materials upon which it is dependent. Infineon seeks to minimize these risks through its procurement policy (including the use of multiple sources, where possible) and its operating procedures. In line with these measures, Infineon concluded additional financial derivative contracts for certain commodity supplies (gold) for the following fiscal year in order to mitigate the remaining risk arising from the fluctuation of commodity prices (see note 26, [p. 141](#)).

The following table presents the effect on equity of a change in the relevant market prices by ± 10 percent as of 30 September 2022 and 2021.

€ in millions	Nominal value	Equity	
		plus 10%	minus 10%
30 September 2022			
Commodity swaps	51	5	(5)
30 September 2021			
Commodity swaps	21	2	(2)

Credit risk

Credit risk arises when a customer or other counterparty of a financial instrument fails to discharge its contractual obligations. Infineon is exposed to this risk as a consequence of its ongoing operations, its financial investments and certain financing activities. Infineon's credit risk arises primarily from cash and cash equivalents, financial investments, trade receivables and derivative financial instruments. Excluding the impact of any collateral received, the carrying amount of financial investments, cash and cash equivalents and trade receivables corresponds to the maximum credit risk.

Foreign exchange and interest hedging contracts, as well as the investment of liquid assets in cash equivalents and financial investments, are entered into with major financial institutions worldwide that have high credit ratings. Infineon assesses the creditworthiness of banks using a methodology that establishes investment limits for individual banks that are updated on a daily basis according to current ratings (S&P, Moody's or Fitch) and credit default swap premiums. Possible breaches of stipulated investment thresholds result in immediate notification and the requirement to reduce the risk. This methodology is also used to identify a significant increase in credit risk in the context of the recognition of expected credit losses within the meaning of IFRS 9 at the balance sheet date.

Infineon applies the general impairment model in accordance with IFRS 9 for cash and cash equivalents as well as financial investments. Since Infineon invests exclusively in high-quality financial assets from issuers with a rating of at least investment grade in order to minimize default risk, Infineon assumes that its financial assets carry low credit risk arising from the creditworthiness of its contract parties, so that any impairment loss recorded at first-time recognition is limited to the twelve-month expected credit losses. Infineon considers low credit risk to be an internal credit rating "Holding Quality 1". A change in the internal rating from "Holding Quality 1" to "Holding Quality 0" indicates a significant increase in credit risk. The impairment is calculated using a weighted-probability method. This impairment is calculated as a measure of the probability of default based on the exposure at the balance sheet date, the loss ratio for that exposure, and the credit default swap spread.

The following table provides information on the credit risk for cash and cash equivalents measured at amortized cost, as well as financial investments as of 30 September 2022 and 2021:

Infineon rating	External rating	Basis for the determination of the loss allowance	At amortized cost	
			Expected 12-month credit loss	Expected lifetime credit loss non-credit-impaired
30 September 2022				
Holding Quality 1	AA- to BBB	633	-	-
Holding Quality 0	-	-	-	-
Total		633	-	-
30 September 2021				
Holding Quality 1	AA- to BBB	1,401	1	-
Holding Quality 0	-	-	-	-
Total		1,401	1	-

As in the previous year, Infineon had no financial assets that were overdue or impaired as of 30 September 2022. There was no reclassification between the impairment levels in the 2022 and 2021 fiscal years.

As in the previous year, Infineon spread its cash investments over more than ten banks as of 30 September 2022. As of 30 September 2022, no financial institution was responsible for more than 13 percent (30 September 2021: 18 percent) of Infineon's cash investments. This gave rise to a maximum risk position of €55 million (30 September 2021: €220 million) in the event of the default of a single financial institution assuming no deposit insurance scheme is in place. In addition, to spread the risk of investment, investments were made in money market funds with the best rating, and in money market investment funds. Infineon also held derivative financial instruments with a positive fair value of €5 million as of 30 September 2022 (30 September 2021: €2 million).

Infineon manages the credit risk with respect to trade receivables through a comprehensive credit evaluation for all major customers, the use of credit limits and continual monitoring procedures. New customers are evaluated for creditworthiness in accordance with Infineon guidelines. Credit limits are also in place per customer and creditworthiness and credit limits are constantly monitored. A further measure taken to reduce credit risk is the use of reservation of title clauses. However, despite continuous monitoring, Infineon cannot fully exclude the possibility of a loss arising from the default of one of its contract parties.

Infineon assigns trade receivables to different risk classes based on external ratings, the analysis of customer balance sheet figures, default probabilities (credit default swaps), customer payment behavior and country risks. The simplified method is used to determine the expected losses from trade receivables. The expected losses over the entire term of the trade receivables are determined. The allowance is calculated for each customer using a weighted-probability method. In calculating the expected credit losses, for each customer, Infineon takes into account a forward-looking probability of default provided by a credit rating agency. Individual allowances are recorded based on case-by-case facts or other risk indicators.

The following table provides information about the credit risk position for trade receivables from third parties as of 30 September 2022 and 2021:

€ in millions			At amortized cost	
			Basis for the determination of the loss allowance	
Infineon rating	Risk class	External credit rating	30 September 2022	30 September 2021
			1	low risk
2	average risk	BBB to BBB+	714	489
3	above average risk	BB+ to BBB-	559	418
4	increased risk	BB- to BB	221	73
5	high risk	C to B+	62	43
-	individual	none	4	4
-	others	none	23	46
Total			1,883	1,479

As of 30 September 2022, expected credit losses on trade receivables (see note 9, [p. 110](#)) amounted to €2 million for all risk classes (30 September 2021: €1 million). The individual allowances on trade receivables (no rating) amounted to €4 million in both the 2022 and 2021 fiscal years.

Developments in the wake of geopolitical conflicts such as the war in Ukraine and the development of the coronavirus pandemic are very dynamic, so it cannot be ruled out that the actual credit losses deviate significantly from the expected credit losses recognized based on current estimates and assumptions or that the affected estimates and assumptions will have to be adjusted in future periods and this could have a significant impact on Infineon's expected credit losses.

Financing and liquidity risk

Financing and liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities.

Liquidity risk could arise from a potential inability of Infineon to meet maturing financial obligations. Infineon's liquidity management provides that sufficient levels of cash and other liquid assets are available as well as ensuring the availability of funding through adequate levels of committed credit facilities.

The following table discloses the maturity profile for non-derivative financial liabilities and a cash flow analysis for derivative financial instruments with negative fair values. The table shows the undiscounted contractually agreed cash flows that result from the respective financial liability. Cash flows are recognized at the date when Infineon becomes a contractual partner to the financial instrument. Amounts in foreign currencies were translated using the closing rate at the reporting date. The value of financial liabilities with variable interest payments is determined for the previous year using the interest rate from the last interest fixing date before 30 September 2021. The cash outflows of financial liabilities that can be repaid at any time are assigned to the period in which the earliest redemption is possible.

€ in millions	Total	Due in the fiscal year					
		2023	2024	2025	2026	2027	Beyond 2027
30 September 2022							
Non-derivative financial liabilities	10,081	4,133	554	681	1,294	473	2,946
Derivative financial liabilities:							
Cash outflow	596	596	-	-	-	-	-
Cash inflow ¹	(557)	(557)	-	-	-	-	-
Total	10,120	4,172	554	681	1,294	473	2,946
	Total	2022	2023	2024	2025	2026	Beyond 2026
30 September 2021							
Non-derivative financial liabilities	10,120	3,308	940	1,424	133	1,207	3,108
Derivative financial liabilities:							
Cash outflow	307	307	-	-	-	-	-
Cash inflow ¹	(301)	(301)	-	-	-	-	-
Total	10,126	3,314	940	1,424	133	1,207	3,108

¹ Cash inflows from derivative financial liabilities that arise upon settlement of the instrument.

Future cash flows from derivative financial instruments (see note 26, [p. 140 ff.](#)) may differ from the amounts shown in the table, since exchange rates or relevant factors are subject to change.

28 Segment reporting

Identification of segments

The basis for identifying the reporting segments is the differences between the products and applications. In the 2022 fiscal year, Infineon's business was structured into the four operating segments Automotive, Industrial Power Control, Power & Sensor Systems and Connected Secure Systems. In addition, Infineon differentiates Other Operating Segments as well as Corporate and Eliminations.

Automotive

The Automotive segment designs, develops, manufactures and markets semiconductor products for automotive applications. These include power train and energy systems management, networking and infotainment, chassis and passenger comfort electronics, driver safety and data security. The product portfolio ranges from sensors, microcontrollers, software solutions, reliable power supplies, storage systems for specific applications, Si and SiC power semiconductors, as well as components for human-machine interaction and vehicle networking.

Industrial Power Control

The Industrial Power Control segment specializes in semiconductor solutions for the intelligent management and efficient conversion of electrical energy across the entire value chain, including the generation, transmission, storage and use of electricity. The product portfolio consists mainly of IGBT power transistors, driver ICs for their control, and power semiconductors based on SiC.

Power & Sensor Systems

The Power & Sensor Systems segment comprises a wide range of power semiconductor, high frequency and sensor technologies. The portfolio of products consists of control ICs, drivers and MOSFET power transistors, USB controllers and high frequency products such as HF antenna switches, HF power transistors and signal amplifiers.

Connected Secure Systems

The Connected Secure Systems segment provides comprehensive systems which are based on microcontrollers as well as on wireless connectivity and security solutions. Notably, this includes microcontroller, Wi-Fi, Bluetooth and combined connectivity solutions (so-called combo chips), hardware-based security technologies, and a powerful software environment for programming and configuring microcontrollers and connectivity components, covering a wide range of applications including: Devices for IoT applications, connected home and smart home devices, IT equipment, consumer electronics, cloud security and connected vehicles, as well as credit and debit cards, electronic passports and identity cards.

Other Operating Segments

Other Operating Segments comprise the remaining activities of divested businesses and other business activities. Since the sale of the Wireless mobile phone business, services to Intel Mobile Communications and supplies to MaxLinear are included in this segment. Also included are supplies of LDMOS wafers and related components and services to Wolfspeed, Inc. (formerly Cree, Inc.), since the sale of the major part of Infineon's Radio Frequency Power Components business.

Corporate and Eliminations

Corporate and Eliminations reflects the elimination of intragroup revenue and profits/losses to the extent that these arise between the segments.

Similarly, certain items are included in Corporate and Eliminations, which are not allocated to the other segments. These include certain corporate headquarters costs and selected topics, which are not allocated to the segments since they arise from corporate decisions and are not within the direct control of segment management.

Furthermore, raw materials and supplies are mostly not under the control or responsibility of the operating segment management and are therefore mostly allocated to corporate functions. Work in progress and finished goods are allocated to the operating segments.

Chief Operating Decision Maker, definition of Segment Result and allocation of assets and liabilities to the individual segments

The Management Board, as joint Chief Operating Decision Maker, decides how resources are allocated to the segments.

Based on revenue and Segment Result, the Management Board assesses performance and defines operating targets and budgets for the segments.

Segment Result is defined as operating profit excluding certain net impairments and reversal of impairments (in particular on goodwill), the impact on earnings of restructuring and closures, share-based payment, acquisition-related depreciation/ amortization and other expense, impact on earnings of sales of businesses or interests in subsidiaries, and other income (expense).

Decisions relating to financing and the investment of cash funds are taken at a Group level and not at a segment level. For this reason, neither financial income nor financial expense (including interest income and expense) is allocated internally to the segments.

Neither assets, liabilities nor cash flows per segment is reported to the Management Board on a regular basis, nor is segment performance assessed on this basis.

The exception to this approach is certain inventory information which is regularly analyzed at a segment level. Infineon also allocates depreciation and amortization expense to the operating segments based on production volume and products produced using standard costs.

Segment information

€ in millions	Product category									
	Total		Power semiconductors		Embedded control & Connectivity		RF & sensors		Memory ICs for specific applications	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from contracts with customers:										
Automotive	6,516	4,841	3,298	2,364	1,742	1,228	733	648	743	601
Industrial Power Control	1,790	1,542	1,790	1,542	-	-	-	-	-	-
Power & Sensor Systems	4,070	3,268	3,034	2,299	330	265	706	704	-	-
Connected Secure Systems	1,822	1,397	-	-	1,822	1,397	-	-	-	-
Subtotal	14,198	11,048	8,122	6,205	3,894	2,890	1,439	1,352	743	601
Other Operating Segments	20	12								
Corporate and Eliminations	-	-								
Total	14,218	11,060								

There were limited levels of trading relationships between the operating segments during the 2022 and 2021 fiscal years. Costs are generally recharged without impact on profit or loss.

€ in millions	2022	2021
Segment Result:		
Automotive	1,490	792
Industrial Power Control	384	275
Power & Sensor Systems	1,137	823
Connected Secure Systems	378	182
Other Operating Segments	5	2
Corporate and Eliminations	(16)	(2)
Total	3,378	2,072

The following table provides the reconciliation of Segment Result to profit (loss) from continuing operations before income taxes:

€ in millions	2022	2021
Segment Result:	3,378	2,072
Plus/minus:		
Reversal of impairments (impairments) (in particular on goodwill)	6	1
Share-based payment	(62)	(27)
Acquisition-related depreciation/amortization and other expenses	(484)	(544)
Gains (losses) on sales of businesses, or interests in subsidiaries, net	-	(1)
Other income and expenses, net	7	(31)
Operating profit	2,845	1,470
Financial income	7	22
Financial expenses	(168)	(182)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	39	9
Profit (loss) from continuing operations before income taxes	2,723	1,319

Of the €484 million (2021: €544 million) “Acquisition-related depreciation/amortization and other expenses” incurred in the 2022 fiscal year, €288 million (2021: €295 million) was attributable to cost of goods sold, €12 million (2021: €15 million) to research and development expenses, €177 million (2021: €220 million) to selling, general and administrative expenses and €7 million (2021: €14 million) to other operating income and expense.

€ in millions	2022	2021
Depreciation and amortization:		
Automotive	631	509
Industrial Power Control	187	186
Power & Sensor Systems	279	272
Connected Secure Systems	85	70
Other Operating Segments	2	3
Depreciation and amortization allocated to the segments	1,184	1,040
Depreciation and amortization not allocated to the segments	480	473
Total depreciation and amortization	1,664	1,513

€ in millions	30 September 2022	30 September 2021
Inventories:		
Automotive	1,337	990
Industrial Power Control	290	232
Power & Sensor Systems	798	565
Connected Secure Systems	311	149
Other Operating Segments	3	2
Corporate and Eliminations	342	243
Total	3,081	2,181

Impairment losses on assets in the 2022 fiscal year amounted to €4 million (2021: €0 million) in the Automotive segment, €20 million (2021: €18 million) in the Power & Sensor Systems segment, and €7 million (2021: €9 million) in Corporate and Eliminations. Also allocated to Corporate and Eliminations in the 2022 fiscal year was €7 million (2021: €15 million) of reversal of impairments to assets.

Entity-wide disclosures in accordance with IFRS 8

Revenue for the 2022 and 2021 fiscal years by region was as follows:

€ in millions	2022	2021
Revenue:		
Europe, Middle East, Africa	3,399	2,773
therein: Germany	1,594	1,278
Asia-Pacific (excluding Japan, Greater China)	2,343	1,744
Greater China ¹	5,204	4,195
therein: Mainland China, Hong Kong	4,063	3,178
Japan	1,415	1,094
Americas	1,857	1,254
therein: USA	1,564	1,027
Total	14,218	11,060

¹ Greater China comprises Mainland China, Hong Kong and Taiwan.

The allocation of revenues from external customers to geographic areas is based on the customers' locations. The average number of employees by geographic region is provided in note 3. [p. 103](#)

No single customer accounted for more than 10 percent of Infineon's revenue during the 2022 and 2021 fiscal years.

Non-current assets as of 30 September 2022 and 2021, by region, were as follows:

€ in millions	30 September 2022	30 September 2021
Non-current assets:		
Europe	4,836	4,107
therein: Germany	2,904	2,582
Asia-Pacific (excluding Japan, Greater China)	1,601	1,167
Greater China ¹	152	106
therein: Mainland China, Hong Kong	137	92
Japan	67	18
Americas	9,993	8,790
therein: USA	9,978	8,778
Total	16,649	14,188

¹ Greater China comprises Mainland China, Hong Kong and Taiwan.

Non-current assets do not include financial instruments, deferred tax assets and assets from employee benefits.

29 Additional information in accordance with HGB

Information pursuant to section 161 Stock Corporation Act (AktG)

The Declaration of Compliance prescribed by section 161 AktG was drawn up by the Management Board and the Supervisory Board and made permanently available to the public on Infineon's website.

www.infineon.com/cms/en/about-infineon/investor/corporate-governance/#corporate-governance

Fees for audit and advisory services pursuant to section 314, paragraph 1, no. 9, HGB

Year-end audit fees

At the Annual General Meeting held on 17 February 2022, the shareholders elected KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG"), Munich, as auditor for the 2022 Separate Financial Statements and the Consolidated Financial Statements of Infineon Technologies AG. The audit fees charged by KPMG in the 2022 fiscal year amounted to €4.1 million for the audit of the Consolidated Financial Statements and various annual audits, including an audit review of the Interim Financial Statements.

Fees for other advisory services

In addition to the amounts described above, KPMG charged an aggregate of €0.3 million in the 2022 fiscal year for other audit services, which mainly included the provision of a comfort letter, the audit of the disclosures in the Sustainability Report as well as the substantive audit of the Remuneration Report.

Fees for tax advisory services

In addition to the amounts described above, KPMG charged €44 thousand in the 2022 fiscal year for tax consulting services in connection with the assessment of individual items.

Fees for other services

Fees of €0.4 million were charged by KPMG to the Company in the 2022 fiscal year for other services. These mainly included quality assurance during the implementation of regulatory requirements.

Management Board and Supervisory Board

Management remuneration in the 2022 fiscal year

As required by section 314, paragraph 1, no. 6, in conjunction with section 315e paragraph 1, HGB, the total remuneration of the Management Board and the Supervisory Board is disclosed in note 24. [p. 134](#)

Disclosure of the remuneration of individual members of the Management Board and the Supervisory Board, as required by section 162 of the AktG, can be found in the Remuneration Report, which is prepared according to stock corporation law and is available under the following link:

www.infineon.com/remuneration-report

The references to the Remuneration Report are not audited as part of the audit of the financial statements. The Remuneration Report was subjected to a separate substantive audit by the auditor in accordance with IDW PS 490. This audit also includes the formal audit required by section 162, paragraph 3, of the German Stock Corporation Act (AktG).

Management Board

The Management Board members during the 2022 fiscal year were as follows:

Name	Position	Membership of Supervisory Boards and other comparable governing bodies of domestic and foreign companies (as of 30 September 2022)	Name	Position	Membership of Supervisory Boards and other comparable governing bodies of domestic and foreign companies (as of 30 September 2022)
Jochen Hanebeck	Chief Executive Officer, Labor Director (since 1 April 2022, before Chief Operations Officer)	Supervisory Board member › Infineon Technologies Austria AG, Austria (Chairman since 1 April 2022) Member of the Board of Directors › Infineon Technologies Americas Corp., USA (Chairman) (since 1 April 2022)	Dr. Rutger Wijburg	Chief Operations Officer (since 1 April 2022)	Supervisory Board member › SMART Photonics B.V., Netherlands › Infineon Technologies Dresden Verwaltungs GmbH, Germany (Chairman)
Constanze Hufenbecher	Chief Digital Transformation Officer	Supervisory Board member › Voith GmbH & Co. KGaA, Germany Member of the Shareholders' Committee › Voith Management GmbH, Germany	Dr. Reinhard Ploss	Chief Executive Officer, Labor Director (until 31 March 2022)	Supervisory Board member › Infineon Technologies Austria AG, Austria (Chairman) (until 31 March 2022) › Futurium gGmbH, Germany (until 30 June 2022) Member of the Board of Directors › Infineon Technologies Americas Corp., USA (until 31 March 2022)
Dr. Sven Schneider	Chief Financial Officer	Supervisory Board member › Covestro AG, Germany (since 21 April 2022) › Infineon Technologies Austria AG, Austria Member of the Board of Directors › Infineon Technologies China Co., Ltd., People's Republic of China › Infineon Technologies Asia Pacific Pte., Ltd., Singapore › Infineon Technologies Americas Corp., USA › Infineon Technologies Japan K.K., Japan (since 31 May 2022)	Dr. Helmut Gassel	Chief Marketing Officer (until 31 May 2022)	Member of the Board of Directors › Infineon Technologies Asia Pacific Pte., Ltd., Singapore (Chairman) (until 31 May 2022) › Infineon Technologies Japan K.K., Japan (Chairman) (until 31 May 2022) › Infineon Technologies China Co., Ltd., People's Republic of China (until 1 June 2022) › Infineon Technologies Americas Corp., USA (Chairman) (until 31 May 2022)
Andreas Urschitz	Chief Marketing Officer (since 1 June 2022)	Supervisory Board member › pmdtechnologies ag, Germany (until 10 August 2022) › XMOS Limited, Great Britain (until 22 September 2022) Member of the Board of Directors › Infineon Technologies Asia Pacific Pte., Ltd., Singapore (Chairman) (since 31 May 2022) › Infineon Technologies Japan K.K., Japan (since 31 May 2022) › Infineon Technologies China Co., Ltd., People's Republic of China (since 1 June 2022) › Infineon Technologies Americas Corp., USA (since 1 June 2022)			

The Supervisory Board

The Supervisory Board members during the 2022 fiscal year, the Supervisory Board position held by them, their occupation, and their membership of other supervisory and governing bodies are as follows:

Name	Position	Membership of other Supervisory Boards and other comparable governing bodies of domestic and foreign companies (as of 30 September 2022)
Dr. Wolfgang Eder Chairman	Member of various supervisory bodies	Supervisory Board member <ul style="list-style-type: none"> › voestalpine AG, Austria (listed) (Chairman since 1 April 2022)
Johann Dechant ¹ Deputy Chairman	Vice-Chairman of the Joint Works Council and Chairman of the Works Council Regensburg, Infineon Technologies AG	Member of the Administrative Board <ul style="list-style-type: none"> › SBK Siemens-Betriebskrankenkasse, Germany
Xiaoqun Clever	Member of various supervisory bodies (until 5 September 2022 Managing Director of LuxNova Suisse GmbH)	Supervisory Board member <ul style="list-style-type: none"> › Capgemini SE, France (listed) › Amadeus IT Group SA, Spain (listed) Member of the Administrative Board <ul style="list-style-type: none"> › Cornelsen Group, Germany Member of the Board of Directors <ul style="list-style-type: none"> › BHP Group Plc., Great Britain (listed) and BHP Group Ltd., Australia (listed)
Dr. Friedrich Eichiner	Member of various supervisory bodies	Supervisory Board member <ul style="list-style-type: none"> › Festo Management SE, Germany (Chairman) › Allianz SE, Germany (listed)
Annette Engelfried ¹	Labor union secretary IG Metall district management, Berlin-Brandenburg-Saxony	Supervisory Board member <ul style="list-style-type: none"> › Infineon Technologies Dresden Verwaltungs GmbH, Germany › Siemens Gamesa Renewable Energy Management GmbH, Germany
Peter Gruber ¹ Representative of Senior Management	Chief Financial Officer Operations, Infineon Technologies AG	Supervisory Board member <ul style="list-style-type: none"> › Infineon Technologies Dresden Verwaltungs GmbH, Germany
Hans-Ulrich Holdenried	Independent Management Consultant	Member of the Advisory Board <ul style="list-style-type: none"> › Bridge imp GmbH, Germany
Dr. Susanne Lachenmann ¹	Principal Engineer, Infineon Technologies AG	

Name	Position	Membership of other Supervisory Boards and other comparable governing bodies of domestic and foreign companies (as of 30 September 2022)
Géraldine Picaud	Chief Financial Officer, Holcim Ltd., Switzerland	Member of the Board of Directors <ul style="list-style-type: none"> › Danone S.A., France (listed) (since 26 April 2022) Following Holcim Group mandates: <ul style="list-style-type: none"> › Holcim Group Services Ltd, Switzerland › Holcim Technology Ltd, Switzerland › Lafarge Maroc SA, Morocco › LafargeHolcim Maroc SAS, Morocco (listed) › LafargeHolcim Maroc Afrique SAS, Morocco › Huaxin Cement Co., Ltd., People's Republic of China (listed)
Dr. Manfred Puffer	Independent Management Consultant	Supervisory Board member <ul style="list-style-type: none"> › Athora Lebensversicherung AG, Germany › Nova KBM Bank, Slovenia › Oldenburgische Landesbank AG, Germany Member of the Administrative Board <ul style="list-style-type: none"> › Servicios Prescriptor y Medios de Pagos, S.A.U., Spain (until 30 June 2022) Member of the Board of Directors <ul style="list-style-type: none"> › Athene Holding Ltd., Bermuda (listed) › Catalina Holdings (Bermuda) Ltd., Bermuda
Melanie Riedl ¹	Analysis Engineer and Vice Chairwoman of the Works Council Campeon	
Jürgen Scholz ¹	First authorized agent of IG Metall Regensburg	Supervisory Board member <ul style="list-style-type: none"> › Kronos AG, Germany (listed) Member of the Administrative Board <ul style="list-style-type: none"> › BKK of BMW AG, Germany

Name	Position	Membership of other Supervisory Boards and other comparable governing bodies of domestic and foreign companies (as of 30 September 2022)
Kerstin Schulzendorf (until 31 May 2022)	Specialist in the frontend production, Infineon Technologies Dresden GmbH & Co. KG	
Dr. Ulrich Spiesshofer	Senior advisor – The Blackstone Group, member of various advisory boards and investor	Member of the Board of Directors <ul style="list-style-type: none"> › Schlumberger N.V. (Schlumberger Ltd), Curaçao (listed)
Margret Suckale	Member of various supervisory bodies	Supervisory Board member <ul style="list-style-type: none"> › HeidelbergCement AG, Germany (listed) › Deutsche Telekom AG, Germany (listed) › DWS Group GmbH & Co. KGaA, Germany (listed)
Mirco Synde ¹ (since 1 June 2022)	Supervisor frontend production, Infineon Technologies Dresden GmbH & Co. KG	
Diana Vitale ¹	Chairwoman of the Infineon Works Council, Warstein, Infineon Technologies AG (since 1 May 2022, before deputy Chairwoman)	

¹ Employee representative.

The business address of each member of the Supervisory Board is: Infineon Technologies AG, Am Campeon 1 – 15, D-85579 Neubiberg (Germany).

Supervisory Board committees

Mediation Committee

Dr. Wolfgang Eder (Chairman)

Johann Dechant

Hans-Ulrich Holdenried

Jürgen Scholz

Executive Committee

Dr. Wolfgang Eder (Chairman)

Johann Dechant

Annette Engelfried

Hans-Ulrich Holdenried

Margret Suckale

Diana Vitale

Investment, Finance and Audit Committee

Dr. Friedrich Eichiner (Chairman)

Johann Dechant

Dr. Wolfgang Eder

Annette Engelfried

Strategy and Technology Committee

Dr. Ulrich Spiesshofer (Chairman)

Xiaoqun Clever

Dr. Wolfgang Eder

Peter Gruber

Dr. Susanne Lachenmann

Jürgen Scholz

Nomination Committee

Dr. Friedrich Eichiner (Member and Chairman since 19 May 2022)

Dr. Wolfgang Eder (Chairman until 19 May 2022)

Géraldine Picaud (Member since 19 May 2022)

Dr. Manfred Puffer

Margret Suckale

Subsidiaries, associated companies, joint ventures and other companies (not consolidated) as of 30 September 2022

GRI 102-45

Name of company	Registered office	Shareholdings in %	thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Fully consolidated subsidiaries:						
5200 Ben White Condominiums Association, Inc.	Austin, Texas, USA	n.a.	0	0.00	0.00	10, 22, 27
AgigA Tech, Inc.	Wilmington, Delaware, USA	100	0	2.55	(14.01)	10, 27
CYLand Corp.	General Trias, Philippines	40	0	1.46	0.00	14, 23
Cypress Innovates G.K.	Tokyo, Japan	100	0	21.44	1.57	10
Cypress International, LLC	Wilmington, Delaware, USA	100	0	0.00	0.00	10, 27
Cypress Manufacturing, Ltd.	Camana Bay (George Town), Cayman Islands	100	0	49.54	1.84	10, 27
Cypress Semiconductor (Canada), Inc.	Kanata, Ontario, Canada	100	0	0.31	0.26	11
Cypress Semiconductor (Mauritius) LLC	Ebène, Mauritius	100	0	0.18	(0.03)	8
Cypress Semiconductor (Scandinavia) AB	Stockholm, Sweden	100	0	0.97	0.38	14
Cypress Semiconductor (Switzerland) Sàrl	Lausanne, Switzerland	100	0	5.76	1.53	14
Cypress Semiconductor (Thailand) Limited	Nonthaburi, Thailand	100	0	92.51	9.12	14
Cypress Semiconductor Corporation	Wilmington, Delaware, USA	100	0	6,546.76	(189.34)	10, 27
Cypress Semiconductor International, Inc.	Wilmington, Delaware, USA	100	0	349.23	38.68	10, 27
Cypress Semiconductor Ireland Limited	Cork, Ireland	100	0	6.55	2.18	7
Cypress Semiconductor México, S. de R.L. de C.V.	Guadalajara, Mexico	100	0	(0.05)	0.00	14
Cypress Semiconductor Philippines Headquarters, Ltd.	Camana Bay (George Town), Cayman Islands	100	0	6.87	0.00	10, 27
Cypress Semiconductor Singapore Pte. Ltd.	Singapore, Singapore	100	0	13.12	5.81	14
Cypress Semiconductor Technology (Shanghai) Co. Ltd.	Shanghai, People's Republic of China	100	0	12.48	7.19	14
Cypress Semiconductor Technology Ltd.	Camana Bay (George Town), Cayman Islands	100	0	299.14	36.53	10, 27
Cypress Semiconductor Ukraine LLC	Lviv, Ukraine	100	0	2.09	0.16	14
Cypress Semiconductor World Trade Corp.	Camana Bay (George Town), Cayman Islands	100	0	7.22	0.00	10, 27
Hitex GmbH	Karlsruhe, Germany	100	100	2.16	0.00	3, 16, 17
Infineon Integrated Circuit (Beijing) Co., Ltd.	Beijing, People's Republic of China	100	0	16.48	1.11	14
Infineon Semiconductors (Shenzhen) Co., Ltd.	Shenzhen, People's Republic of China	100	0	3.63	2.17	14
Infineon Semiconductors (Wuxi) Co., Ltd.	Wuxi, People's Republic of China	100	0	49.86	2.42	14
Infineon Technologies (Advanced Logic) Sdn. Bhd.	Melaka, Malaysia	100	0	19.32	5.05	10
Infineon Technologies (Kulim) Sdn. Bhd.	Kulim, Malaysia	100	0	416.32	68.59	10
Infineon Technologies (Malaysia) Sdn. Bhd.	Melaka, Malaysia	100	0	404.21	45.96	10
Infineon Technologies (Penang) Sdn. Bhd.	Kuala Lumpur, Malaysia	100	0	8.52	1.06	14

Name of company	Registered office	Shareholdings in %	thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Infineon Technologies (Wuxi) Co., Ltd.	Wuxi, People's Republic of China	100	0	143.84	13.25	14
Infineon Technologies (Xi'an) Co., Ltd.	Xi'an, People's Republic of China	100	0	9.04	0.43	14
Infineon Technologies 2. Vermögensverwaltungsgesellschaft mbH	Neubiberg, Germany	100	0	0.04	(0.01)	10
Infineon Technologies Americas Corp.	Wilmington, Delaware, USA	100	0	3,106.59	313.89	10, 27
Infineon Technologies Asia Pacific Pte Ltd	Singapore, Singapore	100	0	628.85	167.80	10
Infineon Technologies Australia Pty Limited	Blackburn, Australia	100	0	1.53	0.03	10
Infineon Technologies Austria AG	Villach, Austria	100	0.004	1,477.44	291.42	10
Infineon Technologies Cegléd Kft.	Cegléd, Hungary	100	0	36.02	2.08	10
Infineon Technologies Center of Competence (Shanghai) Co., Ltd.	Shanghai, People's Republic of China	100	0	3.80	0.62	14
Infineon Technologies China Co., Ltd.	Shanghai, People's Republic of China	100	0	217.57	27.28	14
Infineon Technologies Denmark ApS	Herlev, Denmark	100	0	4.93	0.21	10
Infineon Technologies Dresden GmbH & Co. KG	Dresden, Germany	100	100	263.33	16.81	10, 19
Infineon Technologies Dresden Verwaltungs GmbH	Neubiberg, Germany	100	0	0.09	0.00	10, 16, 18
Infineon Technologies Epi Services, Inc.	Wilmington, Delaware, USA	100	0	15.10	5.41	10, 27
Infineon Technologies Finance B.V.	Rotterdam, The Netherlands	100	100	1.93	(0.04)	10
Infineon Technologies France S.A.S.	St. Denis, France	100	0	10.06	1.60	10
Infineon Technologies Holding Asia Pacific Pte. Ltd.	Singapore, Singapore	100	0	918.77	9.23	10
Infineon Technologies Holding B.V.	Rotterdam, The Netherlands	100	100	11,401.40	586.73	10
Infineon Technologies Hong Kong Ltd.	Hong Kong, People's Republic of China	100	0	2.45	0.67	10
Infineon Technologies India Private Limited	Bangalore, India	100	0	18.77	3.23	8
Infineon Technologies Investment B.V.	Rotterdam, The Netherlands	100	0	0.11	0.00	6
Infineon Technologies Ireland Limited	Dublin, Ireland	100	100	0.43	0.16	10
Infineon Technologies Italia s.r.l.	Milan, Italy	100	0	6.60	1.52	10
Infineon Technologies IT-Services GmbH	Klagenfurt, Austria	100	0	10.57	5.94	10
Infineon Technologies Japan K.K.	Tokyo, Japan	100	0	43.61	6.24	10
Infineon Technologies Korea Co., LLC	Seoul, Republic of Korea	100	0	14.81	4.95	10
Infineon Technologies Linz GmbH & Co KG	Linz, Austria	100	0	6.92	6.87	10
Infineon Technologies LLC	Wilmington, Delaware, USA	100	0	909.39	72.63	10, 27
Infineon Technologies Maasstad C.V.	Rotterdam, The Netherlands	100	0	23.83	3.83	10
Infineon Technologies Memory Solutions Germany GmbH	Neubiberg, Germany	100	0	0.02	0.00	10
Infineon Technologies Memory Solutions Holdings Inc.	Wilmington, Delaware, USA	100	0	81.34	0.00	10, 27
Infineon Technologies Memory Solutions India LLP	Bangalore, India	100	0	0.01	0.00	9
Infineon Technologies Memory Solutions Israel Ltd.	Netanya, Israel	100	0	85.17	11.36	5

Name of company	Registered office	Shareholdings in %	thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Infineon Technologies Memory Solutions Japan G.K.	Kawasaki, Japan	100	0	0.41	0.38	10
Infineon Technologies Memory Solutions Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	100	0	0.31	0.31	13
Infineon Technologies Memory Solutions Taiwan Ltd.	Taipei, Taiwan	100	0	0.22	0.06	12
Infineon Technologies Nijmegen B.V.	Nijmegen, The Netherlands	100	0	n.a.	n.a.	15
Infineon Technologies Nordic AB	Kista, Sweden	100	0	4.96	0.37	10
Infineon Technologies Philippines, Inc.	Muntinlupa City, Philippines	100	0	1.17	0.80	10
Infineon Technologies Power Semitech Co., Ltd.	Cheonan, Republic of Korea	100	100	55.91	4.82	10
Infineon Technologies Reigate Limited	Bristol, Great Britain	100	0	3.41	1.00	10
Infineon Technologies Romania & Co. Societate in Comandita	Bucharest, Romania	100	0	5.20	2.13	10
Infineon Technologies Semiconductor GmbH	Aschheim, Germany	100	0	8.64	1.36	4
Infineon Technologies Semiconductor India Private Limited	Bangalore, India	100	0	48.63	15.30	8
Infineon Technologies Shared Service Center, Unipessoal Lda.	Maia, Portugal	100	100	4.73	0.67	10
Infineon Technologies Taiwan Co., Ltd.	Taipei, Taiwan	100	0	12.91	4.02	10
Infineon Technologies UK Limited	Bristol, Great Britain	100	0	1.36	1.27	10
Infineon Technologies US HoldCo Inc.	Wilmington, Delaware, USA	100	0	9,811.74	28.73	10, 27
Infineon Technologies US InterCo LLC	Wilmington, Delaware, USA	100	0	8,983.67	7.77	10, 27
Infineon Technologies US Investment LLC	Wilmington, Delaware, USA	100	0	(0.04)	19.19	10, 27
Infineon Technologies Vermögensverwaltungsgesellschaft mbH	Neubiberg, Germany	100	100	286.47	0.00	10, 16, 18
International Rectifier HiRel Denmark ApS	Herlev, Denmark	100	0	1.05	0.26	10
International Rectifier HiRel Products, Inc.	Wilmington, Delaware, USA	100	0	240.15	64.57	10, 27
MOLSTANDA Vermietungsgesellschaft mbH	Neubiberg, Germany	100	6	304.94	0.00	10, 16, 18
MOTEON GmbH	Neubiberg, Germany	100	100	0.11	0.08	10
MoTo Objekt CAMPEON GmbH & Co. KG	Neubiberg, Germany	93	0	100.88	29.53	10, 20
Nihon Cypress G.K.	Tokyo, Japan	100	0	8.94	3.07	10
NoBug Consulting SRL	Bucharest, Romania	100	0	0.53	0.36	14
NoBug DOO	Belgrade, Serbia	100	0	0.00	0.00	14
PT Infineon Technologies Batam	Batam, Indonesia	100	0	23.16	3.20	10
Ramtron International Corporation	Wilmington, Delaware, USA	100	0	0.00	0.00	10, 27
Rectificadores Internacionales, S.A. de C.V.	Tijuana, Mexico	100	0	11.54	2.65	10, 27
SILTECTRA GmbH	Dresden, Germany	100	0	3.45	0.26	10
Spansion Inc.	Wilmington, Delaware, USA	100	0	1,392.29	82.29	10, 27
Spansion LLC	Wilmington, Delaware, USA	100	0	1,846.54	339.13	10, 27
Syntronix Asia Sdn. Bhd.	Melaka, Malaysia	100	0	4.92	(0.24)	14

Name of company	Registered office	Shareholdings in %	thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Associated companies:						
Deca Technologies, Inc.	Dover, Delaware, USA	42.5	0	10.87	0.12	14, 26, 27
pmdtechnologies ag	Siegen, Germany	15	15	18.02	(12.10)	14, 24
SkyHigh Memory Limited	Hong Kong, People's Republic of China	40	0	42.73	36.76	14, 26
Joint ventures:						
Infineon Technologies Bipolar GmbH & Co. KG	Warstein, Germany	60	60	34.94	(3.71)	10, 25
SAIC Infineon Automotive Power Modules (Shanghai) Co., Ltd	Shanghai, People's Republic of China	49	25	11.66	23.24	14
Other companies (not consolidated):¹						
CHiL Semiconductors Corporation	Wilmington, Delaware, USA	100	0	0.00	0.00	10
EPOS embedded core & power systems GmbH & Co. KG	Duisburg, Germany	100	100	0.98	0.28	10
EPOS embedded core & power systems Verwaltungs GmbH	Duisburg, Germany	100	100	0.07	0.00	10
Futurium gGmbH	Berlin, Germany	n.a.	n.a.	n.a.	n.a.	21
Hitex (UK) Limited	Coventry, Great Britain	100	0	1.95	0.20	10
Industrial Analytics IA GmbH	Neubiberg, Germany	100	100	0.59	(0.17)	14
Infineon Technologies Bipolar Verwaltungs GmbH	Warstein, Germany	60	60	0.03	0.00	10
Infineon Technologies Campeon Verwaltungsgesellschaft mbH	Neubiberg, Germany	100	0	0.13	0.02	10
Infineon Technologies Delta GmbH	Neubiberg, Germany	100	100	0.01	(0.01)	10
Infineon Technologies Gamma GmbH	Neubiberg, Germany	100	100	0.00	(0.01)	10
Infineon Technologies Holding GmbH	Neubiberg, Germany	100	100	0.13	0.00	10, 16
Infineon Technologies Iberia, S.L.U.	Madrid, Spain	100	0	0.15	0.05	10
Infineon Technologies Israel Ltd.	Israel	100	0	n.a.	n.a.	15
Infineon Technologies Linz Verwaltungs GmbH	Linz, Austria	100	0	0.15	0.03	10
Infineon Technologies Mantel 26 AG	Neubiberg, Germany	100	100	0.03	(0.01)	10
Infineon Technologies Mantel 27 GmbH	Neubiberg, Germany	100	100	0.03	0.00	10, 16
Infineon Technologies Mantel 29 GmbH	Neubiberg, Germany	100	100	0.03	0.00	10, 16
Infineon Technologies Polska Sp. z o.o.	Warsaw, Poland	100	0	0.13	0.02	10
Infineon Technologies Romania s.r.l.	Bucharest, Romania	100	0	0.06	0.01	14
Infineon Technologies RUS LLC	Moscow, Russian Federation	100	0	0.34	0.02	14
Infineon Technologies South America Ltda	São Paulo, Brazil	100	0	0.08	0.00	14
Infineon Technologies Vietnam Company Ltd.	Hanoi, Vietnam	100	0	0.13	0.03	10
IR International Holdings China, Inc.	Wilmington, Delaware, USA	100	0	0.00	0.00	10

Name of company	Registered office	Shareholdings in %	thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
KAI Kompetenzzentrum Automobil- und Industrieelektronik GmbH	Villach-St. Magdalen, Austria	100	0	0.57	0.00	14
KFE Kompetenzzentrum Fahrzeug Elektronik GmbH	Lippstadt, Germany	24	24	1.18	(0.22)	14
Metawave Corporation	Dover, Delaware, USA	n.a.	0	n.a.	n.a.	21
MicroLinks Technology Corp.	Kaohsiung, Taiwan	n.a.	0	n.a.	n.a.	21
OSPT IP Pool GmbH	Neubiberg, Germany	100	100	0.00	(0.01)	10
PT Infineon Technologies Indonesia	Jakarta, Indonesia	100	0	0.21	0.04	10
R Labco, Inc.	Wilmington, Delaware, USA	100	0	0.00	0.00	10
Schweizer Electronic AG	Schramberg, Germany	9	9	49.12	2.84	14
Silicon Alps Cluster GmbH	Villach, Austria	n.a.	0	n.a.	n.a.	21
TTTech Auto AG	Vienna, Austria	n.a.	n.a.	n.a.	n.a.	21
Virtual Vehicle Research GmbH	Graz, Austria	n.a.	n.a.	n.a.	n.a.	21
XMOS Limited	Bristol, Great Britain	n.a.	0	n.a.	n.a.	21
Qimonda AG and its subsidiaries:²						
Celis Semiconductor Corp.	Colorado Springs, Colorado, USA	17	0	-	-	2
Itarion Solar Lda.	Vila do Conde, Portugal	40	0	-	-	2
Qimonda (Malaysia) Sdn. Bhd. (in liquidation)	Melaka, Malaysia	77	0	-	-	2
Qimonda AG (in insolvency)	Munich, Germany	77	28	-	-	2
Qimonda Asia Pacific Pte. Ltd.	Singapore, Singapore	77	0	-	-	2
Qimonda Belgium BVBA (in insolvency)	Leuven, Belgium	77	0	-	-	2
Qimonda Bratislava s.r.o. (in liquidation)	Bratislava, Slovakia	77	0	-	-	2
Qimonda Dresden GmbH & Co. OHG (in insolvency)	Dresden, Germany	77	0	-	-	2
Qimonda Dresden Verwaltungsgesellschaft mbH (in insolvency)	Dresden, Germany	77	0	-	-	2
Qimonda Finance LLC (in insolvency)	Wilmington, Delaware, USA	77	0	-	-	2
Qimonda Flash GmbH (in insolvency)	Dresden, Germany	77	0	-	-	2
Qimonda France SAS (in liquidation)	St. Denis, France	77	0	-	-	2
Qimonda Holding B.V. (in insolvency)	Rotterdam, The Netherlands	77	0	-	-	2
Qimonda International Trade (Shanghai) Co. Ltd.	Shanghai, People's Republic of China	77	0	-	-	2
Qimonda Investment B.V.	Rotterdam, The Netherlands	77	0	-	-	2
Qimonda IT (Suzhou) Co., Ltd. (in liquidation)	Suzhou, People's Republic of China	77	0	-	-	2
Qimonda Italy s.r.l. (in liquidation)	Padua, Italy	77	0	-	-	2
Qimonda Korea Co. Ltd. (in liquidation)	Seoul, Republic of Korea	77	0	-	-	2

Name of company	Registered office	Shareholdings in %	thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Qimonda Licensing LLC	Fort Lauderdale, Florida, USA	77	0	-	-	2
Qimonda Memory Product Development Center (Suzhou) Co. (in liquidation)	Suzhou, People's Republic of China	77	0	-	-	2
Qimonda North America Corp. (in insolvency)	Wilmington, Delaware, USA	77	0	-	-	2
Qimonda Richmond LLC (in insolvency)	Wilmington, Delaware, USA	77	0	-	-	2
Qimonda Taiwan Co. Ltd. (in liquidation)	Taipei, Taiwan	77	0	-	-	2
Qimonda UK Ltd. (in liquidation)	High Blantyre, Scotland	77	0	-	-	2

1 Certain subsidiaries were not consolidated due to immateriality.

2 On 23 January 2009, Qimonda AG applied to the Munich local court for insolvency proceedings to be opened. Insolvency proceedings were formally opened on 1 April 2009. The equity and earnings of Qimonda AG and its subsidiaries are not disclosed due to the substantial and ongoing restriction of Infineon's rights as a result of Qimonda AG's insolvency. The list of subsidiaries held by Qimonda AG is based on information from 30 September 2010, since Infineon had not received any further information from the insolvency administrator of Qimonda AG with respect to the insolvency or liquidation of Qimonda companies, and further reflects information from the German commercial register. Since all Qimonda-related investments were written down in full in previous years, this has no effect on Infineon's net assets, financial position and results of operations.

3 Equity and net result as of 30 September 2019.

4 Equity and net result as of 31 December 2019.

5 Equity and net result as of 29 September 2020.

6 Equity and net result as of 30 September 2020.

7 Equity and net result as of 31 December 2020.

8 Equity and net result as of 31 March 2021.

9 Equity and net result as of 31 March 2021 (period from 26 November 2020 until 31 March 2021).

10 Equity and net result as of 30 September 2021.

11 Equity and net result as of 30 September 2021 (period from 28 September 2020 until 30 September 2021).

12 Equity and net result as of 30 September 2021 (period from 23 October 2020 until 30 September 2021).

13 Equity and net result as of 3 October 2021 (period from 29 May 2020 until 3 October 2021).

14 Equity and net result as of 31 December 2021.

15 The entity was founded in the 2022 fiscal year.

16 Control and profit transfer agreement.

17 Exemption pursuant to section 264, paragraph 3, German Commercial Code from the preparation of a management report and from the audit obligation pursuant to section 264 et seq. German Commercial Code and from the obligations to disclose the annual financial statements pursuant to section 325 German Commercial Code.

18 Exemption pursuant to section 264, paragraph 3, German Commercial Code from the obligations to disclose the annual financial statements pursuant to section 325 German Commercial Code.

19 Exemption pursuant to section 264b German Commercial Code from the obligations to prepare a management report as well as notes and from the obligations to disclose the annual financial statements.

20 Exemption pursuant to section 264b German Commercial Code from the obligations to prepare a management report and to disclose the annual financial statements.

21 Because criteria pursuant to section 285, no. 11, German Commercial Code are not met, investments in the affiliate are not disclosed.

22 Non-stock entity. Disclosure of ownership in percent does not apply.

23 The entity owns land of which Infineon is the sole tenant.

24 Infineon accounts for its interest using the equity method because Infineon has significant influence due to the right to hold a supervisory board position in combination with comprehensive minority rights and certain contractual rights in the context of development cooperation.

25 Infineon accounts for its interest using the equity method as Infineon lacks controlling influence due to certain contractual participation rights of the co-shareholder.

26 Consolidated financial statements.

27 IFRS figures.

Neubiberg, 21 November 2022

Infineon Technologies AG
Management Board

Jochen Hanebeck

Constanze Hufenbecher

Dr. Sven Schneider

Andreas Urschitz

Dr. Rutger Wijburg