



**SIEMENS**

CVR NO. 16 99 30 85

**Siemens A/S**

**Annual report 2020/2021**

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\* This is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language version shall prevail.

# The year at a glance for Siemens A/S

In the financial year 2020/21, Siemens A/S is positively affected by the growth derived from the COVID-19 pandemic.

Based on the launch of "New Normal" in the Siemens Group, the employees are now allowed to work from home several days a week in agreement with their immediate superior. This flexibility is very popular among our employees and will therefore also be integrated into our policy after the COVID-19 pandemic.

In the financial year, revenue increased by DKK 110 million from DKK 1,766 million last year to DKK 1,876 million this year, corresponding to a growth of 6%. To a certain extent, this is attributable to increasing demand arising from the COVID-19 pandemic.

The Company's selling costs and administrative expenses decreased by DKK 4 million compared with the financial year 2019/20, which among other things, relates to decreasing traveling expenses, etc., during the COVID-19 pandemic.

In the financial year, Siemens A/S realized a profit of DKK 46 million, which is an increase of DKK 43 million compared to the previous year. Apart from increased revenue, a significant part of the increase in results is attributable to decreased losses and write-downs on projects.

In the financial year 2020/2021, Siemens A/S did not apply for financial support from the COVID-19 aid packages, e.g. the wage compensation scheme or the compensation scheme for fixed costs.

Profit for the year amounts to DKK 46 million, and DKK 45 million is expected to be distributed as a dividend to the parent company, Siemens International Holding B.V., Den Haag, the Netherlands.

The average number of employees decreased from 523 in the financial year 2019/2020 to 492 in the financial year 2020/2021.

Siemens A/S expects an increase in revenue of up to 3% in 2021/2022, based on expected positive developments in the market.

The Company's profit from ordinary activities in the financial year 2021/2022 is expected to increase compared with 2020/2021.

No changes have been made to the business structure in the past year in acquisitions or disposals/demergers.

Bjarne Lykke Sørensen  
CEO, Siemens A/S

# Statement by Management

Today, the Executive Board and the Supervisory Board have discussed and approved the annual report, including the Management's review of Siemens A/S for 2020/2021.

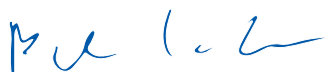
The annual report has been prepared following the Danish Financial Statements Act.

We consider the accounting policies used to be appropriate. Accordingly, the annual report gives a true and fair view of the Company's financial position on 30 September 2021 and the results of the Company's operations and cash flows for the financial year 1 October 2020 – 30 September 2021.

In our opinion, the Management's review gives a fair review of the matters discussed in the Management's review. We recommend that the annual report be approved at the annual general meeting.

**Ballerup, 8 December 2021**

**Executive Board:**



Bjarne Lykke Sørensen  
(CEO)



Jürgen Lippert  
(CFO)

**Board of Directors:**



Per Mikael Gustaf Leksell  
(Chair)



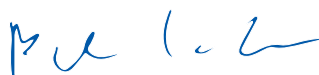
Kenneth Elsberg



Jørgen Kudsk



Jaana Maria Kupila



Bjarne Lykke Sørensen



# I Independent auditor's report

To the shareholders of Siemens A/S

## Opinion

We have audited the financial statements of Siemens A/S for the financial year 1 October 2020 – 30 September 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, and notes, including accounting policies. The financial statements are prepared following the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2021, and the results of its operations and cash flows for the financial year 1 October 2020 – 30 September 2021 are following the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit following International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Company following the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities following these rules and requirements.

## Management's responsibilities for the financial statements

Management is responsible for preparing financial statements that give a true and fair view following the Danish Financial Statements Act. Management is also responsible for such internal control that they determine necessary to prepare financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless

Management either intends to liquidate the Company, to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted following ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

As part of an audit conducted following ISAs and additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to

# I Independent auditor's report

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure, and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review follows the financial statements and has been prepared following the Danish Financial Statements Act's requirements. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 December 2021

EY

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Thomas Bruun Kofoed

State Authorised Public Accountant

mne28677

# Company details

## Siemens A/S

Borupvang 9  
2750 Ballerup

CVR no.: 16 99 30 85  
Established: 1993  
Registered office: Ballerup

## Board of Directors

Per Mikael Gustaf Leksell, Chair  
Kenneth Elsberg  
Jørgen Kudsk  
Jaana Maria Kupila  
Bjarne Lykke Sørensen

## Executive Board

Bjarne Lykke Sørensen  
Jürgen Lippert

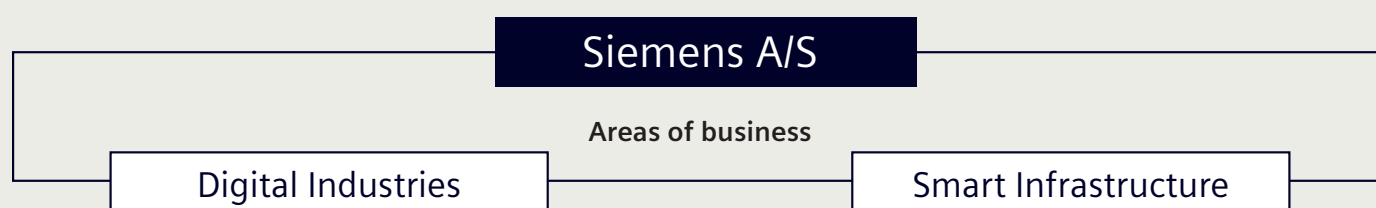
## Auditor

EY  
Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
DK-2000 Frederiksberg  
  
Thomas Bruun Kofoed  
State Authorised Public Accountant

## Annual general meeting

The annual general meeting will be held on  
8 December 2021.

## Group chart



## Other Siemens activities in Denmark

The companies are affiliated companies of Siemens A/S.

- Siemens Healthcare A/S
- Siemens Industry Software A/S
- Siemens Mobility A/S
- Siemens Aarsleff Konsortium I/S
- Siemens Finans Danmark – branch of Siemens Finans AB
- Mentor Graphics Scandinavia AB, Denmark Branch  
– branch of MG Scandinavia AB
- S'PA GmbH Branch Denmark
- VMS Herlev DNK
- Acuson Denmark S/A

## Associates in Denmark

The companies are associates of Siemens A/S.

- Siemens Energy A/S
- Siemens Gamesa Renewable Energy A/S
- Branch of Siemens Energy AS

# Key figures for the past five years

## Key figures for the past five years for Siemens A/S

DKK '000	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Revenue	1,876	1,766	1,822	2,908	3,049
Operating profit/loss	62	9	126	610	180
Net financials	0	0	0	-1	-5
<b>Profit/loss for the year</b>	<b>46</b>	<b>3</b>	<b>104</b>	<b>565</b>	<b>149</b>
<b>Dividend</b>	<b>45</b>	<b>108</b>	<b>132</b>	<b>581</b>	<b>137</b>
Fixed assets	17	19	24	32	130
Current assets	562	627	819	1,817	964
<b>Total assets</b>	<b>579</b>	<b>646</b>	<b>843</b>	<b>1,849</b>	<b>1,094</b>
Share capital	151	151	151	151	151
Equity	224	286	414	864	436
Cash flows from operating activities	-99	112	259	19	208
Cash flows from investing activities	-4	-1	45	630	-3
– amount related to investments in property, plant and equipment	-4	-1	7	-3	-5
Cash flows from financing activities	103	-111	-308	-201	-170
– amount relating to net dividend distributions	-108	-132	-581	-137	-125
<b>Total cash flows</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>448</b>	<b>35</b>
<b>Average number of employees</b>	<b>492</b>	<b>523</b>	<b>531</b>	<b>705</b>	<b>845</b>
Asset turnover	3.1	2.4	1.4	1.8	2.5
Return on equity	18.0	1.0	20.7	82.9	34.1
Operating margin (%)	3.3	0.5	6.9	21.0	5.9
Return on capital employed (%)	10.2	1.2	9.4	37.8	14.7
Equity ratio (%)	38.6	44.2	49.1	46.8	36.4

Comparative figures are restated to reflect demergers and mergers.

Comparative figures have not been restated to reflect additions/disposals of business segments.

Comparative figures have not been restated to reflect discontinuing operations.

### Financial ratios have been calculated as shown below:

#### Asset turnover

The year's revenue relative to average operating assets.

#### Return on equity

Profit/loss for the year relative to average equity.

#### EBIT margin

Operating profit/loss before interest as a percentage of revenue.

#### Return on assets

Operating profit/loss before interest as a percentage of average operating assets.

#### Solvency ratio

Closing equity as a percentage of total liabilities at year-end.



# I Operating review

Siemens A/S has operated in Denmark since the middle of the 19th century when the Group produced telegraphic equipment and the first lighting systems.

The Group was formally incorporated on 24 April 1893 when the then Technisches Bureau Copenhagen opened. Since then, Siemens has participated actively in the modernization of Danish society, supplying state-of-the-art products and solutions with a relentless focus on electrification, automation, and digitalization.

The target is to develop the Danish society in a more sustainable direction focusing on climate change, where the main task in these years is to adjust Danish society to attain the target of a 70% reduction of the Danish CO<sub>2</sub> emission in 2030 and in the long run CO<sub>2</sub> neutrality in 2050.

A large part of this target is obtainable with existing technologies and solutions. The longer we wait to initiate the necessary measures, the more expensive the efforts to society, citizens, and entities will be. If we are supposed to keep the rise in temperature below 1.5 degrees, which is the target in the Paris agreement from 2015, efforts need to be accelerated. The world has a fixed CO<sub>2</sub> budget, which we cannot exceed if we must avoid further temperature increases, and the sooner we get started, the further the budget will last.

## **Technologies and solutions for reducing CO<sub>2</sub> emissions**

A large part of the relevant technologies and solutions are at Siemens' disposal, both for our electrical infrastructure and buildings and for Denmark's industrial activities.

To operate on green electricity whenever it is economically responsible, society must be fundamentally changed, and capacity must be built that is sufficient to provide green electricity to society as a whole so that the use of fossil fuels can be reduced everywhere – in the heating supply, operation of buildings, transport sector, and industrial production, etc.

Moreover, production processes, infrastructure, and buildings must be automated and digitized, which will enable a reduction of energy and resource consumption and handling of peak loads through intelligent management. At the same time, it will be possible to optimize production using data, and virtual design processes will save both time and resources when developing new products.

Finally, it is essential to save energy as the supply of renewable energy is not infinite. At the same time, the electrification of society and the expansion of plants for the production of green fuels, e.g. hydrogen, mean that the need for green electricity will increase significantly. Therefore, energy savings and intelligent solutions to enhance the flexibility of the electricity grid are important tools in reducing the need to invest in the expansion of renewable energy production and the enhancement of the electricity grid.

## **Additional focus on sustainability in the Group**

In connection with Siemens' Capital Market Day in June 2021, Siemens AG relaunched sustainability as a central part of the Groups' strategy and introduced a new concept for steering development into a more sustainable direction. In February, the Group also announced that it has acceded to the Science Based Target initiative (SBTi), aiming at keeping the world's increase in temperature at a maximum of 1.5 degrees.

The new DEGREE concept includes several targets and key figures concerning Decarbonization, Ethics, Governance, Resource Efficiency, Equity, and Employability. The focus is on more sustainable handling of the world's resources, but also on challenges relating to management and social issues that are important to a sustainable development. According to expectations, selected targets and key figures will be incorporated in the management system in Siemens A/S during 2021/22 to support the Group's goals and policies within the area.

## **The COVID-19 pandemic**

The COVID-19 pandemic that hit Denmark in 2020 meant that in 2020/21, too, much of our time and resources were used on crisis management. At the same time, the pandemic highlighted the vulnerability in society and the risks associated with global value chains, which can lead to changed localization patterns for production and increased investments in digitalization and other new technologies.

The pandemic flared in the autumn of 2020. However, due to the successful vaccine efforts initiated at the turn of the year 2020/21, the infection rate decreased in the spring, and restrictions could gradually be eased during the summer of 2021.

# I Operating review

Like many other entities, Siemens introduced several measures to protect its employees and uphold operations, which we succeeded in to a high degree. Today, as part of the Siemens Group's "New Normal" concept, distance working has increased, and further efforts are initiated to handle related management challenges. The efforts are, among other things, based on the results of a survey of the employees' experience with distance working and management challenges in this respect, which was performed in October 2020.

In the financial year 2020/2021, Siemens A/S did not apply for financial support from the COVID-19 aid packages (e.g. the wage compensation scheme or the compensation scheme for fixed costs).

# I Business areas

Siemens A/S is organized into two business segments: Digital Industries and Smart Infrastructure.

The business segments market Siemens AG's products and solutions to private and public customers in Denmark directly or through distributors and agents. Cooperation between the business segments is ensured, e.g. through Siemens' Key Account Management, which aims to strengthen Siemens' cooperation with customers. Our targeted efforts concerning a number of major customers also make Siemens less sensitive to general market fluctuations.

The portfolio is comprehensive, spanning the sale of individual components and products to large, complex projects in which engineering and project management are important elements of the total service delivery. These projects are often long-term, and successful implementation calls for close cooperation with the customer's project organization.

# Business areas

Digital Industries comprises Siemens AG's business units Factory Automation, Motion Control, Process Automation, Software and Customer Services.

Industrial software activities are also handled by the affiliate Siemens Industry Software A/S. The software products and related services from Siemens Industry Software A/S are a part of Siemens' total Digital Enterprise portfolio.

Revenue increased compared to the previous year due to increasing demand in connection with the COVID-19 pandemic.

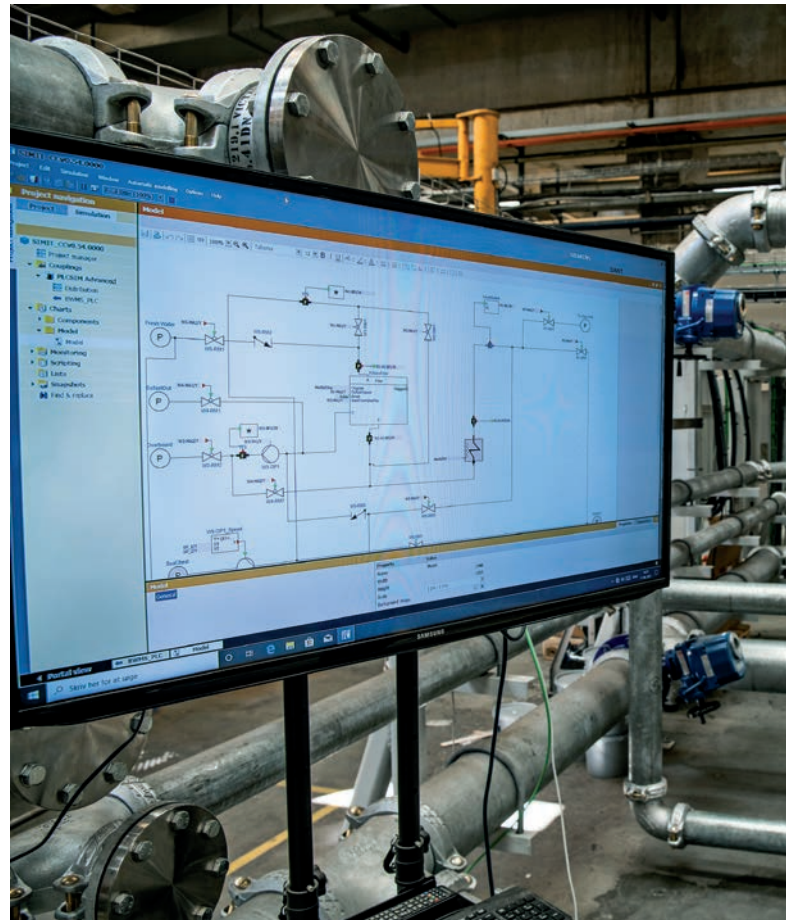
Digital Industries provides solutions for automation and digitalization of the industry with a focus on sustainability. The portfolio spans standard products and components and complete systems solutions. With ground-breaking technologies such as artificial intelligence, edge and cloud, industrial 5G, block chain and additive manufacturing (3D print), and decades of experience, Siemens is a strong partner for companies going through digital transformation.

As the leading supplier of industry software, Siemens contributes to the digitalization of the entire value chain in production companies – from production design and development to sale and services – focusing on optimization, flexibility, and value creation. In continuation of the COVID-19 pandemic, companies have become increasingly aware of the vulnerability of the global value chains, and with increased digitalization and use of e.g. additive manufacturing (3D print), it is possible to bring production and consumption closer together.

Optimal use of data is very important to the industrial sector. With Industrial Edge, data can easily and flexibly be processed, analyzed, and used directly at the machinery on the factory floor or as part of a cloud-based solution across several locations and countries.

With the use of new technologies, digital twins of machinery and production equipment can be created, making it possible together with advanced simulation software to test the machinery and the management thereof virtually before constructing and commissioning it.

With the increasing digitalization and implementation of data collection and cloud solutions, it will become even more important to protect the Company against unauthorized access. Siemens is very focused on Industrial Security with a strong suite of solutions and services compliant with the international standard IEC 62443.



Digital Industries' sales are divided into direct sales to machine manufacturers and end customers in the industry and sales handled by distributors and certified Solution Partners. A large part of the sale of products and components takes place online via Siemens Industry Mall. SITRAIN – Digital Industry Academy offers relevant training and courses adjusted to the customers' needs.

## Sustainable industry

Siemens offers software solutions based on a complete set of data and overview of the carbon footprint, and therefore can help ensure that rapid decisions can be taken in daily operations. Thereby, more sustainable production is ensured with fewer energy costs and less CO<sub>2</sub> emission.

Energy-efficient production is beneficial to both the climate and the bottom line. Consumers and investors are showing an increased interest in companies' ability to manufacture sustainably, and therefore, energy efficiency impacts competitiveness and survival in the long term.



### Digital twin gives more clean seawater

New rules impose more stringent requirements on the cleaning of vessels' ballast water. The rules are meant to protect the oceans' fragile ecosystems against bacteria and perhaps even life-threatening viruses.

In close cooperation with Siemens, DESMI Ocean Guard has developed the system CompactClean. Using pumps, a filter, and strong UV light, even very muddy waters are cleaned. The solution is simple, flexible, and provided through only one software solution – the TIA portal – which controls various plants with hundreds of different options.

“We consider Siemens our cooperating partner more than a supplier. In my view, this is what differentiates Siemens from many others”, says Mark Kalhøj Andersen, Technical Director at DESMI Ocean Guard.

Photo: As the crew on vessels changes quite often, many different persons must be able to operate the plant. The digital twin is the core of an e-learning program. The program offers a 3D model of the plant in which users can click around and become familiar with the plant and in which they can practice all functionalities.

Siemens supplies energy-efficient industrial components that are manufactured sustainably. Siemens' products are certified according to the ISO 50001 standard. Therefore, when designing the product, including selecting materials, etc., the Company ensures optimum reusability of the products and high energy efficiency so that the environment and the climate are safeguarded as much as possible.



# | Business areas

Smart Infrastructure supplies products and solutions for the electrical infrastructure, buildings, and industry to increase the efficiency, security, and sustainability of how we live, work and move.

Smart Infrastructure works to develop intelligent buildings and energy systems and connect them so that the electricity grid is fit for the increasing demand for electricity and the continued development of renewable energy and decentralized energy production. In the near future, Siemens expects that buildings will transform from solely being energy consumers to also being energy producers, which will enable the management of more fluctuating energy production based on renewable energy and the minimization of energy waste.

Smart Infrastructure comprises the business units Regional Solutions & Services, Digital Grid, Distribution Systems, Electrical Products, and Building Products. Revenue increased in 2020/2021 compared to last year, which is attributable to increased market shares in key segments.

## **Buildings and energy savings**

Smart Infrastructure supplies products and solutions for buildings, saving energy, increasing comfort, and providing security by protecting people and values. Solutions may be supplied individually or as end-to-end solutions comprising management of light, heating and ventilation, video surveillance, access control, anti-theft protection, and fire detection/fighting.

Siemens is one of the leading suppliers in the market, servicing a broad palette of private and public customers. The combination of a high competence level, quality products, and a strong portfolio of solutions means that Siemens can meet very specific requirements in projects spanning, for instance, the pharmaceutical industry and preservation-worthy buildings.

With new, digital solutions, Siemens focuses in earnest on making buildings more user-oriented and operationally efficient, paving the way for improved employee convenience, increased productivity, better utilization of space, lower energy consumption, and reduced CO<sub>2</sub> emissions. The Siemens solutions Comfy and Enlighted i.a. enable companies to measure the number and distribution of employees in a building, which i.a. can be used to plan cleaning and thereby reduce exposure hazard in connection with pandemics like the current COVID-19 pandemic.



Energy efficiency of buildings is an important business area. As a so-called ESCO supplier (Energy Service Company), Siemens offers energy renovation solutions with guaranteed savings to both public and private customers. The energy savings from these projects can finance the investment and contributes significantly to reducing energy consumption and thus CO<sub>2</sub> emissions from buildings.

As an example, the municipality of Ballerup and Siemens entered into an innovation partnership in September 2021 to look into the possibility of operating the municipality's building stock as energy-efficient as possible and thereby increase the green transition of the municipality.

## **Products and solutions for the electrical infrastructure**

Siemens Smart Infrastructure also supplies products and digital solutions for the electrical infrastructure in society that manage, control, and protect the electricity supply according to the requirements of the individual customer segments – energy and utility companies, building owners and industrial companies, etc. The portfolio comprises





**APCOA PARKING and Siemens have entered into a partnership regarding the installation of Siemens charging points in several APCOA PARKING's car parks**

Considering the increasing number of electric cars and plug-in hybrid vehicles, the need for charging points increases drastically. APCOA PARKING has more than 2,500 parking houses, basement car parking, and parking spaces. Thus, the Company focuses on offering its customers an intelligent solution that requires no subscription. As one of the first projects, two Siemens AC22 charging points were installed in the basement car parking under Axel Towers in Copenhagen.

Photo: AC22 charging points from Siemens.

components for solar cell systems and wind turbines, batteries for energy storage, microgrid technology, charging infrastructure for electric cars, electric buses, vans, etc., and products for controlling all types of machines and motors

Energy and utility companies, large industrial and transport companies, and machine manufacturers are our primary customers, with the wind turbine industry as an important customer segment. Moreover, wholesalers are an important sales channel for low-voltage equipment and products for machine control and HVAC products.

Protecting the critical infrastructure against cyberattacks is important. At Siemens, the cyber security work starts on the very day when a new product is developed. Siemens also supplies equipment that can test appliances in the complete system landscape to detect weaknesses and thus reduce the risk of cyberattacks in, for instance, the energy supply.

In the coming years, large investments to expand the charging infrastructure and strengthen the electricity grid are expected to address the increasing electrification that is

necessary to phase out fossil fuels. At the same time, the electricity grid must be fit for an increasing number of consumers (including buildings) also generating electricity, and the need will increase for intelligent solutions that can decide, i.e. when a building must get electricity from the electricity grid, when it should charge its batteries and when it should flexibly turn down the energy consumption to support the balance in the electricity grid. Siemens aims to become a significant provider of the products and solutions to these flexibility services and sector connections which must be implemented to future-proof the electricity grid.

## CORPORATE SOCIAL RESPONSIBILITY

# Risks and management system

As a subsidiary in the German Siemens Group, Siemens A/S complies with the Group's guidelines and applicable legislation. Moreover, Siemens A/S strives to comply with applicable corporate governance standards.

## Risks

To handle risks related to large, complicated projects and construction projects is important as the results, to a high degree, depend on the ability to avoid incurring losses on projects. Therefore, Siemens still focuses on training and certifying project managers.

A large part of Siemens' business relates to the wind sector in the supply of components for the wind turbine industry. Consequently, declining activity in the wind sector will have an adverse effect on revenue.

The increasing demand following the COVID-19 pandemic implies a risk of the lack of manpower and raw materials in selected sectors, which may put a damper on growth. The increasing raw material prices and the prospects of increasing salaries will also put the Company's competitiveness under pressure.

In addition to market decrease and large projects, the hacking of Siemens' systems, breach of the provisions of the Danish Competition Act, and supplier failures expose the business to risk. Siemens continuously focuses on minimizing risks, and Siemens' management system is particularly designed to address these risks.

Siemens' management system is described in the following section, whereas the handling of financial risks, including currency, interest rate, and credit risks, are described in the Management's review. Risks regarding areas relating to Siemens' corporate social responsibility (CSR) are described in the section on social matters, environment, and society in the Management's review.

## Management system

Siemens A/S has an integrated management system, which includes the quality of Siemens' supplies and the internal and external environment. Once a year, the management system is certified following ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (work environment), verified by FORCE to identify deviations and improvement initiatives. The management system was certified most recently in May 2021. The management system is certified every third year, and consequently, the next certification will take place in March 2022 at the latest.

Siemens Business Conduct Guidelines (BCG) hold Siemens AG's general principles and rules for how we wish to run our business with due respect to applicable legislation and international and generally recognized conventions regarding human rights protection, anti-corruption, etc. Once engaged, all employees must sign the BCG, which is explained to them in more detail during the introductory period. Furthermore, employees are offered courses on selected topics to ensure that they are up to date on statutory requirements and the Group's guidelines. In 2020/2021, several online courses were conducted in Business Conduct Guidelines focusing on the Danish Competition Act and export control. These compulsory courses had a participation rate of approximately 99%. Several new courses are expected to be conducted in 2021/2022.

Compliance officers have been appointed to disseminate the compliance culture in the Company, and a whistle-blower scheme has been established to allow employees and external parties to report irregularities anonymously. No irregularities were reported in Siemens A/S in the year under review, and therefore, no particular initiatives are planned for the coming year.

Furthermore, Siemens AG has established a comprehensive system to handle risks through systematic controls that ensure that Siemens' internal rules are observed and that the financial statements give a true and fair view. RIC (risk and internal control) officers have been appointed to organize the extensive control effort. Export control is another important area, and EC (export control) officers have been appointed to ensure that Siemens observes the export control rules.

Given today's increasing digitalization, requirements for protection against unauthorized intrusion into data and communication systems increase. Information security is a focal point to Siemens, and efforts are made to continuously improve preventive controls and increase the ability to detect hacking attempts. In addition to technical solutions, employees must be constantly attentive to information security and personal data protection. Therefore, measures in the form of online training and courses are regularly completed. In 2020/2021, an online course on personal data protection was conducted with a participation rate of 100%.

Siemens AG has increasingly become aware of risks relating to ESG (environment, social matters, management, and control). To mitigate those risks at an early stage of the sales

process, an ESG Radar has been incorporated in Siemens' sales system, giving the individual sales representatives or account managers the possibility of marking relevant risks for which it may be necessary to prepare measures to reduce the risk in question. In that way, it will be possible far sooner to assess potential business opportunities based on a risk assessment.

In 2021/2022, courses will be completed for the sales organization in the new ESG Radar to ensure that the system will be incorporated as part of the future sales process.

### Supplier responsibility

Suppliers make up a significant part of the overall value chain, and Siemens AG considers it part of its responsibility to ensure that the Company's suppliers live up to high standards.

For purposes of elucidating Siemens' principles for good business conduct, the Company has prepared a Code of Conduct for Siemens Suppliers to be observed by all the Company's suppliers. Siemens' Code of Conduct for Siemens Suppliers is based on the UN's Global Compact, which lays down principles regarding the CSR areas protection of human rights, freedom of association, abolition of child labor and discrimination, protection of the environment, and anti-corruption.

Furthermore, enterprises and other stakeholders (Business Partners) are subjected to a compliance due diligence process when entering into particularly close business relations with Siemens.

Siemens AG is the single principal supplier to Siemens A/S. Significant suppliers are subjected to an annual check of quality, supply security, environmental management, and working environment to ensure that the Company's third-party suppliers observe all applicable guidelines. This check contributes to reducing the risk of supplier failure and supply chain compliance issues.

### Customer satisfaction

Customer satisfaction is measured once a year using the internationally recognized Net Promoter Score (NPS), which assesses to which extent customers would recommend Siemens to other parties. Based on the survey results, customers are contacted where necessary, and measures are taken to improve services and performance in areas pinpointed by our customers.

Due to the COVID-19 pandemic, no NPS survey was conducted in 2019/2020. However, the survey was resumed in 2020/2021, for which data collection was performed in the spring of 2021. As shown in the table below, the average score saw modest growth.

### Development in the customers' evaluation of Siemens

#### Customer satisfaction (APS)

	2020/2021	2019/2020	2018/2019
Customers' evaluation of Siemens (average on a scale from 1 to 10) <sup>1)</sup>	8.35	Not completed	8.32

<sup>1)</sup> The question asked was: "How likely is it that you would recommend Siemens to a colleague or a business partner?" The figures show the average score (APS) and not the net score, as the average is less sensitive to fluctuations in the case of minor data volumes.

In addition to the annual survey, a few of Siemens' business segments regularly measure the level of customer satisfaction in connection with projects, service supplies, and support.

## CORPORATE SOCIAL RESPONSIBILITY

# Social matters

### Employees

One of Siemens' key assets is its skilled, creative, and highly committed employees. Therefore, activities to support employees' skills and commitment are prioritized, and measures are implemented on an everyday basis to improve employees' health and job satisfaction and their professional and personal development.

Therefore, Siemens has implemented several policies to support these measures, including a sickness absence policy, a senior employees' policy, a recruitment and diversity policy, and a policy against harassment, violence, and bullying (including anti-discrimination, etc.). Moreover, Siemens has a well-functioning working environment organization, which monitors developments and initiates initiatives in cooperation with Management.

In terms of wages and salaries, Siemens offers equal pay for equal work based on qualifications and experience.

Siemens' premises primarily comprise office spaces and a few test facilities. In addition, there are activities at client sites in connection with commissioning, assembly, and service, including transport.

Stress is one of the most significant risk factors, and we continuously focus on this area, where both managers and employees are offered training in how to prevent and handle stress in the workplace.

Regarding workplaces outside Siemens, safety is a significant focus area, and we have implemented "safety walk and talk", which means that managers regularly pay inspection visits and discuss safety precautions with employees.

In general, sickness absence and the number of industrial accidents are low, which indicates that the efforts made to increase safety and health in the workplace are effective.

Employee satisfaction is measured twice a year as part of the Siemens Group's global employee survey. In 2020/2021, one survey was conducted in December 2020 and one in July/August 2021. The average commitment score of the two surveys is 79%, which, however, is a positive development as the score increased from 74% in December to 83% in July/August. Thereby, the latest survey is close to the targeted score of 85%. The response rate also increased from 70% in the previous survey to 73% in the latest survey, which, however, is still below the level desired of 85%.

The results of the surveys were discussed in the Cooperation Committee (Samarbejdsudvalget) and with the employees in the individual departments where local measures are taken when relevant.

### Employee commitment

	2020/2021	2019/2020	2018/2019
Overall commitment score in per cent <sup>1)</sup>	79 %	77 %	80 %

<sup>1)</sup> The commitment score is based on the answers to the statement: "I will recommend Siemens to a friend as a good place to work". Share scoring 7 or higher on a 1-10 scale (average of surveys conducted in the year).

### Female executives

#### Statement regarding section 99b of the Danish Financial Statements Act

Diversity among employees is a matter of great importance in the workplace.

Siemens AG strives to promote diversity across its global entities as the Company should reflect the local communities. Moreover, diversity is considered a valuable source of innovation and development, and similarly, lack of diversity thus poses a risk of stagnation.

On this basis, and by reference to Act no. 1383 regarding goals and policies for the underrepresented gender, the Supervisory Board of Siemens A/S has set the goal that the share of women appointed by the general meeting should be 20% in 2020. As the Supervisory Board counted one female member appointed by the Company in general meeting on 30 September 2021, corresponding to a share of 33%, the goal has been met.

The two employee representatives on the Board are both men.

In 2020/2021, Siemens A/S noted an additional decrease in the share of female executives, which is now 8%, corresponding to 5 out of 64 executives.

Therefore, in 2020, further initiatives were planned to meet the long-term goal that the share of female executives should correspond to the share of female employees, which is currently 13%. However, due to COVID-19 restrictions, the work by the new diversity council with male and female executive members from various parts of the business started later than planned. The focus areas are, among others, the recruitment process, management, and carrier paths.

**Female executives**

	2020/2021	2019/2020	2018/2019
No. of women in executive positions <sup>1)</sup>	8 %	10 %	12 %

<sup>1)</sup> Comprises the total share of women with management responsibilities.

**Working environment**

Siemens targets high standards for the Company's safety and health efforts to facilitate an attractive working life and ensure quality and efficiency in solutions design.

Siemens targets to reduce the number of work accidents and disease cases to a realistic minimum – beyond current workplace requirements. Siemens encourages its cooperation partners to share this ambition and works with customers and suppliers to implement ongoing improvements.

Security and health are an integral part of the entity and the daily work. Therefore, it is important that all employees are allowed to work in a safe environment by providing safe processes and high educational standards and that a working environment organization has been established that matches the Company's objective. As part of this effort, a nationwide occupational health and safety day was arranged for all company work environment representatives.

Siemens A/S is certified according to ISO 45001 and therefore regularly performs analyses of the physical and mental working environment (workplace assessments). The mental working environment is examined as part of the global employee survey, whereas the physical working environment is evaluated separately in a dialogue-based process in the individual departments.

The number of accidents resulting in more than one day of absence showed a slight increase in 2020/2021, subsequent to the notable decrease in 2019/2020. However, the number is still significantly below the fixed target of a maximum of three accidents per million working hours.

The sickness absence statistics also show a slight increase compared to 2019/2020.

The increase in the number of accidents and sickness absence may relate to the abolition of COVID-19 restrictions, which implied increased social activity and presence at work. All things being equal, this increases the risk of work accidents and of having a cold or being stricken with influenza.

**Accidents and sickness absence**

	2020/2021	2019/2020	2018/2019
No. of accidents with absence per million working hours <sup>1)</sup>	2.0	1.6	2.5
Sickness absence as a percentage <sup>2)</sup>	1.7 %	1.6 %	2.1 %

<sup>1)</sup> Antal ulykker med fravær mere end en dag målt i forhold til det samlede antal normerede timer.

<sup>2)</sup> No. of accidents with absence exceeding one day measured by reference to the total number of prescribed working hours.

<sup>2)</sup> No. of hours absent owing to own or child's illness as a percentage of the total number of prescribed working hours.

**Health**

Job satisfaction and health are top priorities in Siemens, e.g., demonstrated in the canteens, which are committed to making healthy food. In addition, all employees have access to free fruit, and at the largest location in Ballerup, they have their own fitness center.

All employees are covered by a mandatory insurance program in case of critical illness and a general health insurance program.

Furthermore, all salaried employees are covered by schemes under which they can be treated for work-related muscle and joint injury by a chiropractor, physiotherapist, reflexologist, or masseur. Moreover, employees can book a health check through the scheme, and it is possible to get vaccinated against the flu at the Company's expense.

The sports club Siemens@ctive provides the employees with various health activities such as running, cycling, fitness, and yoga. In addition, Siemens usually has several teams participating in the annual DHL relay races in Copenhagen and Aarhus, which were resumed in 2021 after being canceled in 2020 due to the COVID-19 pandemic.

Furthermore, it was decided to offer influenza vaccines to the employees free of charge in the autumn of 2021.

**Competence development**

Striving to be an attractive workplace, Siemens prioritizes ongoing training of its employees.

Therefore, competence development is a matter of high priority in Siemens. In connection with the relaunch of the Group's overall strategy in 2021, even more focus was put on staff development ("growth mindset") and the employees' possibility of making decisions ("empowered people") – two significant assumptions for the Group's successful development and fulfillment of its targets.

## CORPORATE SOCIAL RESPONSIBILITY

# Social matters

In connection with the competence development, the former annual Performance Management Process (PMP) will be replaced by regular talks between employees and managers. These growth tasks are a structured and regular dialogue between managers and employees focusing on obtaining results, development, feedback, and learning, making it possible to give and receive feedback, agree on tasks and expectations, and discuss the need for personal development and training, etc. In this connection, the Group has laid down targets to double the amount of online training in 2025 compared with 2020.

Siemens has its own project manager training program, designed to ensure a high quality of the Company's projects and thereby minimize the risk of loss. Therefore, all projects generating revenue over EUR 2.5 million must be manned by a certified project manager, and project managers are continuously being trained and certified to ensure that the necessary resources and skills are available at all times to handle the various project categories.

In 2020/2021, two new commercial project managers were certified. As a few project managers have left the Company, Siemens A/S had a total of 10 certified project managers and 6 commercial project managers on 30 September 2021. All of them are in the Smart Infrastructure.

### **Measures planned for the coming financial year**

As the regular surveys of the development in the employees' workplace satisfaction, including the various accident statistics, etc., show a satisfactory development, no extraordinary initiatives are planned.

The global employee survey is conducted in December 2021/ January 2022 and in July/August 2022, and at the beginning of 2022, the annual occupational health and safety day will take place, where the new hybrid ways of working will be a focal point. Moreover, Siemens A/S has to be recertified in April 2022 concerning quality, environment, and working environment, which means that the areas in question will be subject to a thorough examination and assessment.

Strengthening diversity will continue to be a focal point too. Specific new measures await recommendations from the working group.



## CORPORATE SOCIAL RESPONSIBILITY

## Environment

Siemens' vision in the environmental area is to be a green company with targeted efforts to protect the environment, including environmental considerations in its decision-making. Certified according to ISO 14001, Siemens A/S has thus laid down general environmental impact reduction goals. Key parameters in this connection are the consumption of electricity, heating and water, CO<sub>2</sub> emissions from company cars, and waste volumes where specific targets have been set.

The development in consumption and emissions is monitored continuously to assess the possibility of reducing the environmental impact to the widest extent possible. For instance, the car policy stipulates the limits for the CO<sub>2</sub> emissions of company cars, and employees extensively use modern communications technology to limit traveling, which has been of significant importance during the COVID-19 pandemic, where, e.g. the amount of air travel decreased by a little more than 96%.

The Siemens AG Group aims at reducing the Group's CO<sub>2</sub> emissions by 50% in 2020 compared to 2014 and at being carbon-neutral in 2030. The latest group statement shows that a 54% reduction was obtained in 2020 compared to the base year.

The environmental risks associated with Siemens A/S' activities in Denmark are relatively small, as Siemens A/S does not have production facilities and thus only handles environmentally hazardous waste to a limited extent.

Siemens A/S' headquarters at Borupvang 9 in Ballerup is certified following the so-called LEED Gold standard (Leadership in Energy and Environmental Design), ensuring optimal energy utilization and a good indoor climate.

The below overview shows the trend in the key performance indicators of the building.

**Waste and consumption of electricity, water, and heating <sup>1)</sup>**

	2020/2021	2019/2020	2018/2019
Total volume of waste in tons	95.7	106.0	120.1
– share to be recycled as a percentage (target: 60%)	64%	62%	60%
Consumption of electricity in kWh per m <sup>2</sup> (target maximum: 84 kWh/m <sup>2</sup> )	69.2	73.6	79.0
Consumption of heating in kWh per m <sup>2</sup> (target maximum: 80 kWh/m <sup>2</sup> )	54.2	33.1	31.9
Consumption of water in litres per m <sup>2</sup> (target: -5% per year)	246.6	293.5	350.8

<sup>1)</sup> Includes the address Borupvang 9 in Ballerup. Consumption data is read on the main meter by ISS and reported each month. The volume of waste is reported in fractions by Marius Pedersen following the codes in the European Waste Catalogue (Det Europæiske Affaldskatalog (EAK)).

The total volume of waste declined significantly in 2020/2021, and the share that is recycled increased further to 64%.

The electricity consumption decreased by 7%, and the water consumption decreased by 16%, which is probably attributable to the fact that fewer employees were at the offices due to the COVID-19 pandemic, particularly in the period November 2020 to March/April 2021 during the comprehensive second lockdown. The consumption of heating increased by approx. 64%, which relates to the close-down of the heat exchanger to minimize the risk of spread in the house. The consumption is, however, significantly below the fixed maximum value.

Through Vattenfall, Siemens A/S identifies its annual electricity consumption with certificates, guaranteeing that the volume of electricity corresponding to Siemens' electricity consumption is produced by wind farms. By purchasing certificates, Siemens ensures that the Company contributes to more sustainable energy production in Denmark, based on renewable energy.

Our company cars are a significant source of CO<sub>2</sub> emissions, and as part of the goal to become carbon-neutral, Siemens AG aims to reduce emissions from company cars significantly.

## CORPORATE SOCIAL RESPONSIBILITY

# Environment

The table below shows the trend in CO<sub>2</sub> emissions from company cars owned by Siemens A/S.

### CO<sub>2</sub> emissions from company cars <sup>1)</sup>

	2020/2021	2019/2020	2018/2019
Standard emissions (g/km)	131.2	129.1	122.1
Actual emissions (g/km)	165.6	167.2	167.4

<sup>1)</sup> The survey shows emissions from the total portfolio of company cars with white license plates in the respective financial years. The standardized emission is calculated by the factory based on one of the below methods: NEDC 1, NEDC 2, or WLTP. The actual CO<sub>2</sub> emission is based on a conversion factor for petrol of 2,400 gram CO<sub>2</sub> per liter and for diesel 2,700 gram CO<sub>2</sub> per liter.

The standard figure for the total portfolio of company cars was 131.2 g/km on 30 September 2021, which is an increase of 1.6% compared with last year.

The actual emission was reduced by 1% and is still significantly above the standard. Overall, the company cars emitted 773 tonnes of CO<sub>2</sub> in 2020/2021, which is a decrease of a little more than 12% compared to the previous year. In addition, service trucks emitted a bit more than 551 tonnes of CO<sub>2</sub>, which is a decrease of 9% compared to the previous year. The decrease in absolute emissions is presumably attributable to the lower mobility due to the COVID-19 pandemic.

### Measures planned for the coming financial year

Siemens AG has acceded to Science Based Target initiative (SBTi), and in that connection laid down a target that the Company's car fleet must be 100% electric in 2030 (EV 100 initiative). Based thereon, it was decided that company and service cars (except for those of our vans which do not have a mileage pattern that fits hybrid or purely electric cars) purchased on 1 January 2022 or later must be plug-in hybrids or purely electric cars and that it should only be possible to acquire pure electric cars as from 1 January 2026. As the lease term of all cars is four years, Siemens A/S' car fleet will be purely electric as of 1 January 2030. Today, the fleet counts 261 cars, of which 145 are passenger cars, and 116 are service cars. There are four electric cars and 12 plug-in hybrid models among the passenger cars.

Continuing the new car policy, more charging points will be installed at Siemens' addresses to meet the increasing charging need.

The consumption of electricity, heating, and water in the buildings and the volume of waste is continuously monitored to assess any need for additional measures.

## CORPORATE SOCIAL RESPONSIBILITY

## Other social measures

Siemens' strategy is based on a general understanding of the Company's role in society that entails that the Company must create value – not only to shareholders but to the societies in which the Company operates. The Company's activities must serve a purpose that involves more than just making money but also contributes to solving some of society's significant challenges, such as, e.g. global warming.

Siemens is active in its communities, both nationally and locally, by contributing to its local communities. The support for activities in the local communities primarily relates to education, where Siemens want to contribute to increasing the interest in science and technology for both genders. Social matters are also supported with an annual donation to the Christmas Seal Fund.

The risk of carrying on business in Denmark regarding corruption and bribery and compliance with basic human and labor rights is limited as Denmark is listed as one of the least corrupt countries in the world on Transparency International's index year after year. At the same time, Siemens' internal control systems contribute to minimizing the risk of non-compliance with legislation as described in detail above in the section on the management system.

### Protection of human rights

Siemens' Business Conduct Guidelines contain the basic principles and rules on how Siemens' employees are expected to act towards each other, external business partners, and the general public. The requirement to comply with the applicable rule of law, respect people of various ethnic origin, culture, religion, sexual orientation, gender, etc., and managers' special responsibility to meet their organizational and supervisory duties are emphasized.

These principles imply that Siemens tolerates neither discrimination based on the differences mentioned above nor offensive behavior, sexual harassment, or other types of abuse. These principles are also reflected in the requirements of Siemens' suppliers, described in the section on activities above.

In the autumn of 2020, sexual harassment in society became a focal point. Therefore, in a newsletter to our employees, Management emphasized Siemens' policy in this area, which strongly disapproves all types of harassment, violence, and bullying. In 2020/2021, no complaints regarding sexual harassment or violence/bullying in the entity were registered, and therefore, no further measures are planned in the

coming year. In the coming employee survey, which will be conducted in July/August 2022, the scope of harassment, violence, and bullying will again be an issue.

### The Siemens Foundation

The Siemens Foundation was established in 1964 to support research and educational projects primarily within the technical-scientific area, and the Foundation receives an annual payment from Siemens A/S. In the financial year 2020/2021, the Foundation donated DKK 316,000 for 9 study projects, each receiving between DKK 25,000 and DKK 35,000, and several activities whose purpose is to increase the interest in technology. The donations for the study projects help ensure that the students have access to the materials and equipment necessary to perform their analyses and test new solutions.

### Sponsorships

Siemens is co-sponsor of the Danish Association of Engineers' "Engineer the Future" campaign, which aims to attract more young people to the engineering profession. Siemens also supports IDA's Girls' Day in Science initiative, whose purpose is to attract more women to the technological study programs within the STEM areas (Science, Technology, Engineering, Mathematics). As part of our support, an annual workshop is held at Siemens where several girls from public schools in the municipality of Ballerup participate in an interesting day focusing on technology, which among other things, implies the programming of a Raspberry Pi. Thereby, they experience a bit of what Siemens' female technical staff work with daily.

Siemens is also one of the permanent sponsors of the annual RoboCup competition at DTU, where students build self-driving robots that race down an obstacle course.

### Charity

Siemens has for many years chosen not to give customers and business partners Christmas presents. Instead, the Company donates an annual amount or a product to charity.

In recent years, Siemens has chosen to support the Christmas Seal Fund (Julemærkefonden) by donating an annual amount. The first Christmas seal was issued in 1904, and the funds raised from the first years were used to build the Christmas Seal Sanatorium in Kolding. Today, the Christmas Seal Fund operates five Christmas seal homes offering children aged 7-14 10-week stays to help them fight loneliness and social isolation, low self-esteem, bullying, and overweight.

## CORPORATE SOCIAL RESPONSIBILITY

# Other social measures

In addition to the company donation, employees can choose to donate the value of their company Christmas gift to the Christmas Seal Fund. In 2020/2021, an additional donation of approx. 39,000 was given.

### Measures planned for the coming financial year

In 2020/2021, Siemens decided to resume the adoption class scheme in cooperation with the municipality of Ballerup, which implies close cooperation from the 7th grade to the 9th grade with selected school classes from one of the municipality's public schools. The initiative starts in the fall of 2021 with the 7th grade from Skovvejens school. The class

will visit the Company to obtain a better understanding of life at one of the municipality's workplaces, and from time to time, guest teachers from Siemens will participate in classroom training when relevant technical/scientific subjects are on the agenda. In this connection, Siemens supports other education initiatives in the municipality of Ballerup, such as the establishment of master classes in German, participation in project Edison, etc.

Cooperation with Julemærkefonden, Engineer the Future, and more will continue in 2021/2022.



**masterclass**

### A new master class in German

To strengthen the interest in the German language and culture, to allow entities with activities in Germany to obtain a better recruitment base, the municipality of Ballerup has set up a master class in German, which was presented at a meeting at the city hall in August 2021.

Also, Robert Bosch and the Biometric Group support the initiative.

| Financial review  
– Siemens A/S

# Financial review – Siemens A/S

In the financial year, revenue increased by DKK 110 million from DKK 1,876 million last year to DKK 1,766 million this year.

Relative to 2019/2020, the Company's selling costs and administrative expenses increased by DKK 4 million. In the current financial year, Siemens A/S has chosen to reassess the presentation of operating expenses in the income statement.

In the financial year, Siemens A/S realized a profit of DKK 46 million, which is an increase of DKK 43 million compared with the year before and in line with the expectations expressed in the annual report for 2019/2020.

Profit for the year amounts to DKK 46 million, and DKK 45 million is expected to be distributed as a dividend to the parent company, Siemens International Holding B.V., Den Haag, the Netherlands.

## Balance sheet

Total assets decreased by DKK 68 million compared with last year. The decrease is primarily attributable to a decrease in a financial receivable from group entities and joint taxation contributions receivable.

## Cash flows

Cash flows from operating activities decreased from DKK 113 million to DKK -99 million, mainly due to a decrease in cash flows from working capital.

## Investments

During the year, investments totaling DKK 4 million were made in property, plant, and equipment. Investments for the year comprise fixtures and operating equipment and leasehold improvements.

## Outlook

Siemens expects an increase in revenue of up to 3% in 2020/2021, based on expected positive developments in the market. Due to the COVID-19 pandemic, the assumptions underlying the estimate are subject to uncertainty.

The Company's profit from ordinary activities in the financial year 2021/2022 is expected to increase compared with 2020/2021.

## Ownership

Siemens A/S is a wholly-owned subsidiary of Siemens International Holding B.V., Den Haag, the Netherlands.

## Special risks

### Financial risks

Due to its operations and financing, Siemens is exposed to changes in exchange rates and interest rates to a relatively low degree. It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management activities are aimed only at managing risks already assumed.

### Currency risks

Siemens' activities are affected by exchange rate fluctuations, as revenue is generated, in all material respects, in Danish kroner, whereas purchases of products are primarily effected in foreign currencies. The Group's exchange rate risks are hedged mainly through derivative financial instruments. The Group's currency policy is to hedge projects with a net exposure of more than EUR 1 million.

The product business is hedged for three months at a time based on expected sales/purchases.

### Interest rate risks

Siemens' interest-bearing debt primarily consists of financial debt to group entities. The Company's policy is not to hedge interest rate risks relating to intra-group balances. An increase of 1 percentage point in the general interest rate level will imply an increase in the Company's annual interest expenses of DKK 2 million.

### Credit risks

Siemens is not exposed to any significant risks relating to any particular customer or business partner. Siemens' policy regarding credit risks implies that all major customers and other cooperators are credit-rated on an ongoing basis.

### Incentive plans

The Siemens AG Group has established a stock award plan according to which key executives may be granted stock awards in Siemens AG.

Settlement takes place on exercise. In this connection, an amount of DKK 2 million was expensed in the income statement of Siemens A/S for 2020/2021.

Furthermore, Siemens AG has established a program for all employees, allowing them to acquire shares with an option to acquire extra shares after three years' ownership.

In this connection, an amount of DKK 3 million was expensed in the income statement for Siemens A/S for 2020/2021.



# Income statement

## Financial review 1 October – 30 September

DKK '000	Note	2020/2021	2019/2020
Revenue	3	1,876,343	1,766,338
Production costs		-1,558,534	-1,494,949
<b>Gross profit/loss</b>		<b>317,809</b>	<b>271,389</b>
Selling costs		-261,046	-262,017
Administrative expenses		-22,623	-25,842
<b>Profit before other operating income</b>		<b>34,140</b>	<b>-16,470</b>
Other operating expenses	4	-46	0
Other operating income	5	28,423	25,601
<b>Profit/loss before net financials</b>		<b>62,517</b>	<b>9,131</b>
Financial income	6	2	34
Financial expenses	7	-1,190	-2,186
<b>Profit from ordinary activities</b>		<b>61,329</b>	<b>6,979</b>
Tax on profit from ordinary activities	8	-15,621	-3,570
<b>Profit/loss for the year</b>		<b>45,708</b>	<b>3,409</b>

# Balance sheet

## Financial review 1 October – 30 September

DKK '000	Note	2020/2021	2019/2020
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	9		
Goodwill		320	400
<b>Total intangible assets</b>		<b>320</b>	<b>400</b>
<b>Property, plant, and equipment</b>	10		
Land and buildings		3,379	4,582
Leasehold improvements		10,142	10,194
Plant and machinery		2,830	3,219
Plant under construction		0	779
<b>Total property, plant, and equipment</b>		<b>16,351</b>	<b>18,774</b>
<b>Total fixed assets</b>		<b>16,671</b>	<b>19,174</b>
<b>Non-fixed assets</b>			
Inventories		21,356	17,428
<b>Receivables</b>	11		
Trade receivables		369,966	311,125
Receivables from group entities		0	191,745
Construction contracts, net	12	62,155	42,246
Deferred tax asset	13	10,105	3,483
Corporation tax receivable		84,145	46,295
Other receivables		9,885	10,395
Prepayments	15	4,769	4,727
<b>Total receivables</b>		<b>541,025</b>	<b>610,016</b>
<b>Cash</b>		<b>0</b>	<b>0</b>
<b>Total non-fixed assets</b>		<b>562,381</b>	<b>627,444</b>
<b>Total assets</b>		<b>579,052</b>	<b>646,618</b>

**Financial review 1 October – 30 September**

DKK '000	Note	2020/2021	2019/2020
Equity and liabilities			
<b>Equity</b>			
Share capital		151,000	151,000
Retained earnings		27,658	26,950
Proposed dividend		45,000	107,552
<b>Total equity</b>		<b>223,658</b>	<b>285,502</b>
<b>Provisions</b>			
Warranty commitments	16	35,610	33,062
Other provisions	17	17,280	15,834
<b>Total provisions</b>		<b>52,890</b>	<b>48,896</b>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Prepayments received from customers		20,546	18,029
Trade payables		71,379	52,901
Payables to group entities		35	573
Financial debt to group entities		19,244	0
Joint taxation contribution payable	14	21,799	39,297
Other payables		138,550	172,075
Prepayments	18	30,951	29,345
<b>Total current liabilities other than provisions</b>		<b>302,504</b>	<b>312,220</b>
<b>Total liabilities</b>		<b>302,504</b>	<b>312,220</b>
<b>Total equity and liabilities</b>		<b>579,052</b>	<b>646,618</b>
Events after the balance sheet date	2		
Contingent liabilities	19		
Staff costs	22		
Fees paid to the auditor appointed at the annual general meeting	23		
Distribution of profit/loss	24		
Use of derivative financial instruments	25		
Related parties and related party transactions.	26		
Pending legal actions	27		

# Statement of changes in equity

## Financial review 1 October – 30 September

DKK '000	Share capital	Transferred profit	Proposed dividend	Total
Equity at 30/09/2019	151,000	131,093	132,000	414,093
Distributed dividend	0	0	-132,000	-132,000
Profit/loss for the year	0	-104,143	107,552	3,409
<b>Equity at 30/09/2020</b>	<b>151,000</b>	<b>26,950</b>	<b>107,552</b>	<b>285,502</b>
Distributed dividend	0	0	-107,552	-107,552
Profit/loss for the year	0	708	45,000	45,708
<b>Equity at 30/09/2021</b>	<b>151,000</b>	<b>27,658</b>	<b>45,000</b>	<b>223,658</b>

The share capital consists of 1,510,000 shares of DKK 100 each. The share capital has not changed in the past five years.

# Cash flow statement

## Financial review 1 October – 30 September

DKK '000	Note	2020/2021	2019/2020
Revenue		1,876,343	1,766,338
Costs and other operating income		-1,813,826	-1,757,207
Adjustments	20	10,519	12,892
<b>Cash generated from operating activities before changes in working capital</b>		<b>73,036</b>	<b>22,023</b>
Changes in working capital	21	-93,672	94,570
Financial income and expenses, net		-1,188	-2,152
Corporation tax paid and prior-year adjustments		-77,591	-1,710
<b>Cash flows from operating activities</b>		<b>-99,415</b>	<b>112,731</b>
Acquisition of property, plant, and equipment		-4,068	-1,436
Disposal of property, plant, and equipment		46	50
<b>Cash flows from investing activities</b>		<b>-4,022</b>	<b>-1,386</b>
Changes in financial liabilities to group entities (Siemens Financial Services)		210,989	20,655
Distributed dividends		-107,552	-132,000
<b>Cash flows from financing activities</b>		<b>103,437</b>	<b>-111,345</b>
Cash flows from operating, investing, and financing activities for the year		0	0
Cash and cash equivalents at 1 October		0	0
<b>Cash and cash equivalents at 30 September</b>		<b>0</b>	<b>0</b>

The cash flow statement cannot be directly derived from the other components of the financial statements.

# Notes

## Financial review 1 October – 30 September

### 1 – Accounting policies

The financial statement of Siemens A/S has been prepared following the Danish Financial Statements Act provisions applying to large reporting class C entities.

The Company no longer holds equity investments and thus does not prepare consolidated financial statements. The ultimate owner, Siemens AG, prepares consolidated financial statements.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in Danish kroner (DKK).

### Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the asset's value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortized cost using the effective interest method. Amortized cost is made up of the original cost less installments, if any, plus or minus the accumulated amortization of the difference between the cost and the nominal amount.

In recognizing and measuring assets and liabilities, any gains, losses, and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account. Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost.

Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment losses and provisions, and reversals due to changes in accounting estimates of amounts previously recognized in the income statement.

### Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction.

Receivables and payables denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses on projects are recognized in the income statement under cost of sales and financial income and expenses relating to foreign currency loans, respectively. However, exchange gains and losses related to hedging transactions where the hedged item is not included in the balance sheet are measured in the balance sheet as cut-off items once the hedged item is realized.

### Derivative financial instruments

On initial recognition, derivative financial instruments are recognized in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognized asset or liability are recognized in the income statement together with value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognized in other receivables or other payables and equity. If the hedged forecast transaction results in recognition of assets or liabilities, amounts previously recognized in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognized in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement on an ongoing basis.



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**Financial review 1 October – 30 September**


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**Income statement**


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**Revenue**

The Company's revenue comprises sale of goods for resale and finished goods, construction contracts, service contracts, and sale of software licenses.

When entering into customer contracts, it is assessed whether each individual contract meets IFRS 15's five steps for assessment of:

1. Identification of a customer contract.
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Allocation of the transaction price to identified performance obligations.
5. Recognition of revenue when performance obligations have been met.

The Company's customer contracts are divided into individually identifiable performance obligations, recognized and measured separately at fair value. If a sales agreement comprises several performance obligations, the total transaction price of the sales agreement is allocated proportionately to the individual performance obligations of the agreement.

Revenue is recognized when the customer has obtained control over the individual identifiable performance obligation.

The recognized revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognized in revenue. The fair value corresponds to the agreed price discounted at present value where payment terms exceed 12 months.

The part of the total remuneration that is variable, for example, in the form of discounts, bonus payments, penalty payments, etc., is only recognized in revenue when it is reasonably certain that no subsequent reimbursement will occur, for example, due to lack of fulfillment.

When selling commercial and finished goods, revenue is recognized when the customer has control over the product. Even though a sales agreement regarding the sale of finished goods and goods for resale often contains several performance obligations, they are treated as one performance obligation as control is typically transferred at the same time.

Construction contracts are recognized over time as the work is carried out, either on the customer's property or the project is so adapted to the customer's specific needs that it cannot be put into operation by others without relatively high costs, while the customer is obliged to settle the amount inclusive of a fair profit for the work performed.

Recognition is based on input-based inventories based on actual consumed costs according to total projected costs, and this is considered the best method to reflect the ongoing transfer of control.

When income and costs of a construction contract cannot be estimated reliably, revenue is recognized solely at the costs incurred in so far as it is considered likely that the costs will be recovered.

Revenue from service contracts where control is transferred on an ongoing basis is accrued and recognized in the period to which it relates. Prepaid service contracts are recognized as accruals.

Revenue from the sale of software licenses is recognized over time if the customer is granted a right to use the license (right of access). If the customer obtains ownership (right of use) over a license, the revenue is recognized at the time of delivery.

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**Production costs**

Production costs comprise costs, including depreciation and amortization, and salaries incurred in generating revenue for the year.

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**Selling costs**

Costs incurred in selling goods sold during the year and conducting sales campaigns, etc., during the year are recognized as sales costs. Also, costs relating to sales staff, advertising, exhibitions, and depreciation are recognized as distribution costs.

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**Administrative expenses**

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related to administrative staff, office expenses, and amortization and depreciation.

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**Other operating income**

Other operating income comprises items of a secondary nature relative to the Company's primary objective, including net income from property leasing and gains on the sale of fixed assets and activities.

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**Other operating expenses**

Other operating expenses comprise items of a secondary nature relative to the Company's main objectives, including losses on the sale of fixed assets and activities.

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# Notes

## Financial review 1 October – 30 September

### Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses, foreign-currency payables and transactions, amortization of financial assets and liabilities, surcharges, and allowances under the advance-payment-of-tax scheme, etc.

### Tax for the year

The Company is subject to the Danish rules on joint taxation of the Siemens Group's Danish activities.

The Company is the administration company regarding the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities.

The current Danish corporation tax is allocated by settling the joint taxation contributions between the jointly taxed entities in proportion to their taxable income. Loss-making entities receive joint taxation contributions from entities that have been able to apply the loss to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contribution, and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts recognized directly in equity is recognized directly in equity.

## Balance sheet

### Intangible assets

#### Goodwill

Goodwill is measured at the lower of cost, less accumulated amortization, and the recoverable amount.

Goodwill is amortized over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. The maximum depreciation period is 15 years, the longest for strategically acquired entities with strong market positions and long-term earnings profiles.

The carrying amount of goodwill is tested for impairment, and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the business or the activity to which the goodwill relates.

The accounting treatment of disposal of activities or entities to which goodwill is related is described under 'Consolidation'.

### Property, plant, and equipment

Land and buildings, leasehold improvements, plant and machinery, and plant under construction are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages.

Borrowing costs are not recognized in the cost.

Depreciation is provided on a straight-line basis over the expected useful life of the assets. The depreciation periods are:

Buildings	25-50 years
Leasehold improvements	Lease term
Fixtures and fittings, tools and equipment	3-10 years

Depreciation is based on the asset's residual value after the end of the useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Depreciation is recognized in the income statement as "Production costs", "Distribution costs", and "Administrative expenses", respectively.

Gains and losses on the disposal of property, plant, and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

The gains or losses are recognized in the income statement as other operating income or other operating costs.

### Leases

Leases regarding which the lessor bears all significant risks and enjoys all significant benefits associated with the title to such equipment are classified as operating leases. Payments under operating leases are recognized on a straight-line basis in the income statement over the lease term.

The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

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**Financial review 1 October – 30 September**


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**Impairment of assets**

The carrying amount of intangible assets, property, plant, and equipment in subsidiaries and associates is tested annually for indication of impairment other than the decrease in value reflected by amortization/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is an indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognized impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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**Inventories**

Inventories are measured at cost based on a weighted average. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realizable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account

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**Receivables**

Receivables are measured at amortized cost. Write-down is made for expected losses.

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**Construction contracts**

Major construction contracts are measured at the market value by reference to the stage of completion. The market value is measured according to the completion stage at the balance sheet date and the expected, aggregate income from the individual construction contracts.

Other construction contracts are measured at cost, including materials, wages/salaries, and indirect production overheads.

Each construction contract is recognized in the balance sheet under 'Receivables' or 'Payables', depending on whether the net value of the order less amounts invoiced on account and prepayments is positive or negative.

When it is probable that the total contract costs will exceed the total contract revenue, a provision is made for the anticipated loss on the contract. The provision is expensed under production costs.

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**Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

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**Equity**

Proposed dividends which are expected to be paid for the year are recognized as a liability at the date when they are adopted and presented as a separate line item in equity.

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**Provisions**

Provisions comprise anticipated costs related to warranties, losses on construction contracts, restructurings, etc. Provisions are recognized when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Warranty commitments include expenses for remedial action regarding the contract work within the warranty period of 0-5 years. Provisions for warranty commitments are measured and recognized based on experience gained from guarantee work.

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# I Notes

## Financial review 1 October – 30 September

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### Corporation tax and deferred tax

The Company and all its Danish group entities are jointly taxed.

Current tax payables and receivables are recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income, and tax paid on account.

Joint taxation contributions payable and receivable are recognized in the statement of financial position under "Balances with group entities".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes, and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates are recognized in the income statement.

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### Liabilities other than provisions

Financial liabilities are recognized at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Financial liabilities also include the capitalized residual lease commitment regarding finance leases. Other liabilities are measured at amortized cost.

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### Deferred income

Deferred income comprises payments received concerning income in subsequent years.

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### Cash flow statement

The cash flow statement shows the Company's net cash flow for the year, broken down by operating, investing, and financing activities, and the Company's cash and cash equivalents at the beginning and the end of the year. The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

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### Cash flows from operating activities

Cash flows from operating activities are presented using the indirect method and are made up as the net profit or loss for the year, less operating expenses and adjusted for non-cash operating items, changes in working capital, paid net financials, extraordinary items, and paid corporation taxes.

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### Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, property, plant, equipment, receivables from group entities, and securities related to investing activities.

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### Cash flows from financing activities

Cash flows from financing activities comprise payments derived from changes in the size or composition of the Company's share capital, dividend distributed, payables to group entities, and the raising and repayment of mortgage debt, other long-term liabilities, and short-term bank debt.

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### Cash

Cash comprises cash and short-term marketable securities with a term of less than three months that are subject to only minor risks of changes in value.

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## Financial review 1 October – 30 September

### 2 – Events after the balance sheet date

No material events that materially affect the Company's financial position have occurred after the financial year.

DKK '000	2020/2021	2019/2020
<b>3 – Revenue</b>		
<i>Geographic split</i>		
Sale of goods, national	1,630,200	1,550,323
Sale of goods, international	246,143	216,015
<b>Total revenue</b>	<b>1,876,343</b>	<b>1,766,338</b>
<i>Segment information</i>		
Digital Industries	927,740	885,051
Smart Infrastructure	948,603	880,218
Portfolio Companies, other	0	1,069
<b>Total revenue</b>	<b>1,876,343</b>	<b>1,766,338</b>
<b>4 – Other operating expenses</b>		
Loss on disposal of fixed assets	46	0
<b>Total other operating expenses</b>	<b>46</b>	<b>0</b>
<b>5 – Other operating income</b>		
Rental income	28,423	25,595
Disposal of fixed assets	0	6
<b>Total other operating income</b>	<b>28,423</b>	<b>25,601</b>
<b>6 – Financial income</b>		
Interest receivable, other group entities	2	6
Other interest income	0	28
<b>Total financial income</b>	<b>2</b>	<b>34</b>
<b>7 – Financial expenses</b>		
Interest payable, other group entities	596	1,807
Guarantee commission	386	271
Other interest expenses and warranty commitments	208	108
<b>Total financial expenses</b>	<b>1,190</b>	<b>2,186</b>
<b>8 – Tax on profit from ordinary activities</b>		
<b>Tax for the year</b>	<b>15,621</b>	<b>3,570</b>
<i>Specified as follows:</i>		
Tax on the taxable income for the year	21,741	4,589
Prior year adjustment	415	-496
Adjustment of deferred tax	-6,535	-523
<b>Total tax for the year</b>	<b>15,621</b>	<b>3,570</b>

# Notes

## Financial review 1 October – 30 September

DKK '000	Goodwill
<b>9 – Intangible assets</b>	
Cost at 1 October 2020	131,736
Disposals for the year	-1,738
<b>Cost at 30 September 2021</b>	<b>129,998</b>
Depreciation at 01 October 2020	-131,336
Depreciation for the year	-80
Disposals for the year	1,738
<b>Depreciation at 30 September 2021</b>	<b>-129,678</b>
<b>Carrying amount at 30 September 2020</b>	<b>400</b>
<b>Carrying amount at 30 September 2021</b>	<b>320</b>
Amortized over	Max. 15 years

DKK '000	Land and buildings	Leasehold improvements	Operating equipment	Plant under construction	Total
<b>10 – Property, plant, and equipment</b>					
Cost at 1 October 2020	28,151	32,862	32,756	779	95,021
Additions for the year	0	3,203	865	0	4,068
Disposals for the year	0	-121	-789	0	-910
Reclassification	0	779	0	-779	0
<b>Cost at 30 September 2021</b>	<b>28,151</b>	<b>36,723</b>	<b>32,832</b>	<b>0</b>	<b>98,179</b>
Depreciation at 01 October 2020	-23,569	-22,668	-29,537	0	-76,247
Depreciation for the year	-1,203	-3,988	-1,254	0	-6,445
Disposals for the year	0	75	789	0	864
<b>Depreciation at 30 September 2021</b>	<b>-24,772</b>	<b>-26,581</b>	<b>-30,002</b>	<b>0</b>	<b>-81,828</b>
<b>Carrying amount at 30 September 2021</b>	<b>3,379</b>	<b>10,142</b>	<b>2,830</b>	<b>0</b>	<b>16,351</b>
<b>Carrying amount at 30 September 2020</b>	<b>4,582</b>	<b>10,194</b>	<b>3,219</b>	<b>779</b>	<b>18,774</b>
Amortized over	25-50 years	Lease term	3-10 years	0	

## 11 – Receivables

Of total receivables, long-term borrowing totals DKK 0 thousand (2019/2020: DKK 0 thousand)

DKK '000	2020/2021	2019/2020
<b>12 – Construction contracts, net</b>		
Construction contracts	410,920	610,514
Prepayments received from customers	-369,311	-586,297
<b>Total construction contracts</b>	<b>41,609</b>	<b>24,217</b>
<i>Distributed as follows in the balance sheet:</i>		
Construction contracts, net	62,155	42,246
Prepayments received from customers, net	-20,546	-18,029
<b>Total construction contracts</b>	<b>41,609</b>	<b>24,217</b>



**Financial review 1 October – 30 September**

DKK '000	2020/2021	2019/2020
<b>13 – Deferred tax asset</b>		
Deferred tax asset at 1 October	3,483	3,045
Changes in deferred tax for the year	6,622	438
<b>Deferred tax asset at 30 September</b>	<b>10,105</b>	<b>3,483</b>
<i>The deferred tax asset relates to:</i>		
<i>Property, plant, and equipment</i>	6,451	6,916
Current assets	-9,421	-14,361
Provisions and liabilities	13,075	10,928
<b>Deferred tax asset at 30 September</b>	<b>10,105</b>	<b>3,483</b>
<b>14 – Joint taxation balance</b>		
Tax charge receivable from intra-group entities	11,246	3,036
Tax charge receivable from extra-group entities	0	9,791
Tax charge payable to intra-group entities	-6	-100
Tax charge payable to extra-group entities	-33,039	-52,024
<b>Total joint taxation balance</b>	<b>-21,799</b>	<b>-39,297</b>
<b>15 – Prepayments</b>		
Prepayments comprise costs incurred concerning subsequent financial years.		
<b>16 – Warranty commitments</b>		
Warranty commitments at 1 October	33,062	29,871
Used during the year	-1,389	-1,975
Release of unused warranty commitments	-3,626	-1,712
Provision for the year	7,563	6,878
<b>Warranty commitments at 30 September</b>	<b>35,610</b>	<b>33,062</b>
<i>Expected maturities for warranty commitments:</i>		
0-1 years	4,620	3,173
1-5 years	21,200	20,288
> 5 years	9,790	9,601
<b>Warranty commitments at 30 September</b>	<b>35,610</b>	<b>33,062</b>
<b>17 – Other provisions</b>		
Other provisions at 1 October	15,834	12,427
Used during the year	-7,581	-3,786
Release of unused warranty commitments	-11,653	-5,256
Provision for the year	20,680	12,449
<b>Other provisions at 30 September</b>	<b>17,280</b>	<b>15,834</b>
<i>Expected maturities for other provisions:</i>		
0-1 years	4,300	4,978
1-5 years	7,532	4,665
> 5 years	5,448	6,191
<b>Other provisions at 30 September</b>	<b>17,280</b>	<b>15,834</b>
<b>18 – Prepayments</b>		
Deferred income comprises payments received concerning income in subsequent years.		

# Notes

## Financial review 1 October – 30 September

DKK '000	2020/2021	2019/2020
<b>19 – Contingent liabilities</b>		
Performance bonds vis-à-vis a third party	103,008	97,755
Hereof guaranteed by the consolidated entity	10,630	86,865
Rent obligations	77,010	97,354
Other lease commitments	23,211	25,077
Liability, tax assessment	67,980	67,980

The Company is jointly and severally liable with other jointly taxed group entities for the payment of corporation taxes for the income years after 2013 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

Moreover, the Company is jointly and severally liable with associates in the joint taxation arrangement until 28 September 2020, after which they have left the joint taxation arrangement.

The split-off of Gas & Power was carried out as a tax-exempt split-off. The Danish tax authorities assess that the split-off is taxable at an amount of DKK 68 million. Siemens has filed a complaint against the Danish tax authorities' assessment with the National Tax Tribunal. And Management assesses that the Company most likely will win the complaint. Thus, the financial statements are based on this assessment, and no liability for a tax payment has been recognized on 30 September 2021.

<b>20 – Cash flow statement – adjustments</b>		
Depreciation and amortization	6,525	6,297
Change in warranty provisions	2,548	3,191
Change in other provisions	1,446	3,407
Miscellaneous adjustments	0	-3
<b>Cash flow statement – total adjustments</b>	<b>10,519</b>	<b>12,892</b>
<b>21 – Changes in working capital</b>		
Changes in inventories	-3,928	1,464
Changes in receivables	-78,282	65,191
Changes in trade payables, etc.	-11,462	27,915
<b>Total changes in working capital</b>	<b>-93,672</b>	<b>94,570</b>
<b>22 – Staff costs</b>		
Remuneration of the Company's Supervisory Board	31	38
Remuneration of the Company's Executive Board	8,525	7,651
Wages and salaries, total	345,260	361,635
Pensions	32,660	34,459
Other social security costs	5,016	4,925
<b>Total staff costs</b>	<b>391,492</b>	<b>408,708</b>

The incentive program for the Executive Board comprises 7,183 shares allotted at the balance sheet date for exercise within the coming four years.

In the financial year 2020/21, costs of DKK 644 were expensed for the incentive program for the Executive Board.

For additional information on the incentive program, please refer to the section "incentive programs" on page 26.

Average number of employees	492	523
<b>Total average number of employees</b>	<b>492</b>	<b>523</b>
<b>23 – Fees paid to the auditor appointed at the annual general meeting</b>		
Total fee	425	531
<b>Total fees</b>	<b>425</b>	<b>531</b>
<i>Specified as follows:</i>		
Fee for statutory audit	425	506
Fee for non-audit services	0	25
<b>Total fees</b>	<b>425</b>	<b>531</b>

# Notes without reference

## Financial review 1 October – 30 September

DKK '000	2020/2021	2019/2020
<b>24 – Distribution of profit/loss</b>		
<b>Proposed distribution of profit/loss</b>		
Proposed dividend	45,000	107,552
Retained earnings	708	-104,143
<b>Profit/loss for the year after tax</b>	<b>45,708</b>	<b>3,409</b>

## 25 – Use of derivative financial instruments

As part of its hedging of recognized and non-recognized transactions, Siemens A/S makes use of forward exchange contracts.

### Recognized transactions

Hedging of recognized transactions includes the most significant receivables and payables.

DKK '000	Payment/ maturity	Receivables	Payables	Hedged through forward exchange contracts	Net position
EUR	<1 year	128,743	-7,921	0	120,822
NOK	<1 year	41	0	0	41
GBP	<1 year	101	-3	0	98
SEK	<1 year	28	0	0	28
PLN	<1 year	259	0	0	259
USD	<1 year	299	-30	0	269
		129,471	-7,954	0	121,517

On 30 September 2021, unrealized net gains on derivative financial instruments entered into for foreign currency hedging purposes totaled DKK 0 thousand, which has been recognized in the income statement.

## 26 – Related parties and related party transactions

The Company's related parties include the Supervisory Board, the Executive Board, executive officers, and their family members. Related parties further include entities in the Siemens AG Group.

Siemens A/S' ultimate parent is Siemens AG, Wittelbacherplatz 2, Munich, Germany. The consolidated financial statements of Siemens AG may be obtained from the Company.

DKK '000	2020/2021	2019/2020
<b>Related party transactions</b>		
Acquisition of goods and services from related parties	1,204,172	1,170,932
Sale of goods and services to related parties	73,020	168,048

Apart from the distribution of dividends, no other transactions were carried out with shareholders during the year.

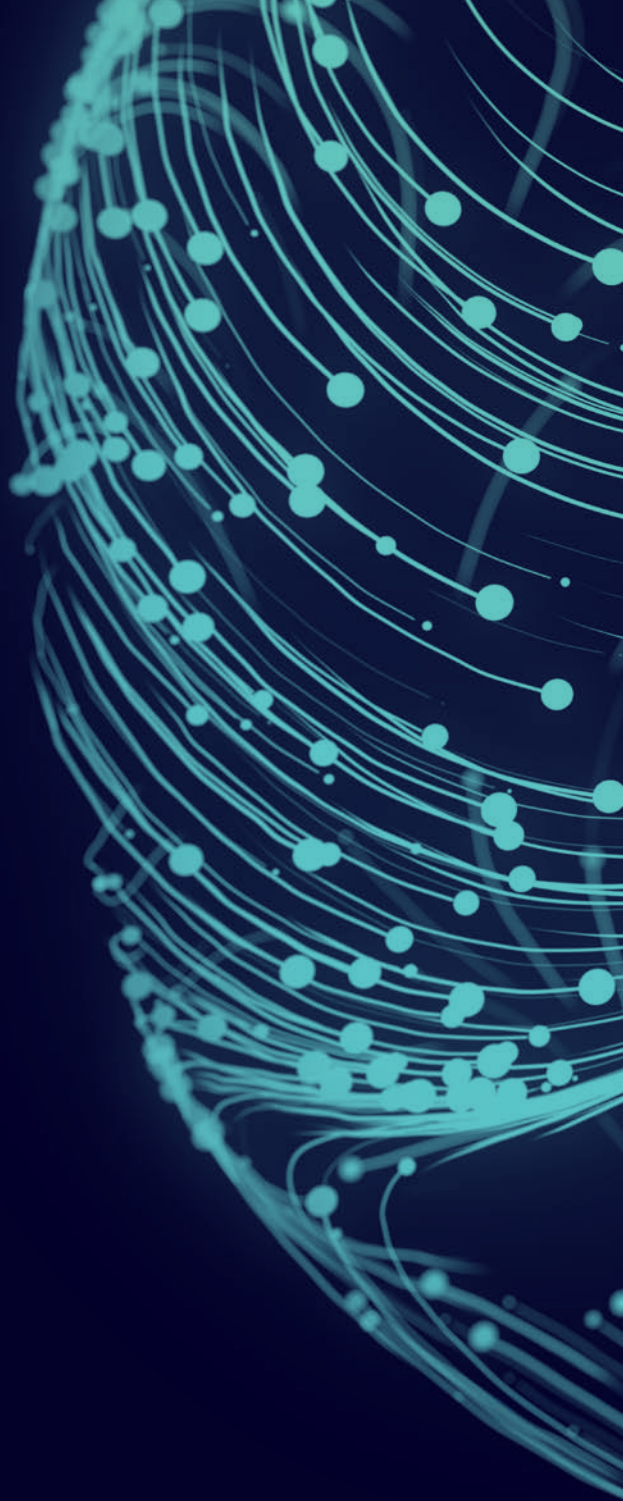
For information on transactions with the Supervisory Board and the Executive Board, reference is made to the note on staff costs. For information on financial transactions, reference is made to the notes on financial income and financial expenses. Balances with related parties are specified in the balance sheet.

## 27 – Pending legal actions

The Company is not a party to any pending legal actions.







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