

SIEMENS

CVR NO. 16 99 30 85

Siemens A/S

Annual report 2019/2020

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Translation Only

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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 2019/2020, the development in Siemens A/S was affected by the COVID-19 pandemic in many ways. Even though the company was able to continue operations because the employees have widely worked from home, the lockdown of society in March and the following months meant that orders were postponed or delayed, and the company saw a decline in the demand from particularly the export companies in the industry.

In the financial year, revenue decreased by DKK 56 million from DKK 1,822 million last year to DKK 1,766 million this year. Part of the decrease is attributable to the decline due to the COVID-19 pandemic, which aggravated an already existing market trend.

Relative to 2018/2019, the company's selling costs and administrative expenses increased by DKK 21 million. In the current financial year, Siemens A/S has chosen to reassess the presentation of operating expenses in the income statement.

In the year, Siemens A/S realized a profit of DKK 3 million, which is down DKK 129 million on the year before and lower than the expectations expressed in the annual report for 2018/2019. Apart from the lower revenue, a significant part of the decrease in results is attributable to losses and write-downs on projects.

In the financial year 2019/2020, 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.

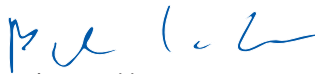
Profit for the year amounts to DKK 3 million. DKK 108 million is expected to be distributed as a dividend to the parent company, Siemens International Holding B.V., Den Haag, the Netherlands.

The average number of employees decreased from 531 in the financial year 2018/2019 to 523 in 2019/2020.

Siemens A/S expects an increase in revenue of up to 5% 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 2020/2021 is expected to increase compared with 2019/2020.

This past year, the business segment Gas & Power was transferred to a new company, Siemens Energy A/S, by demerger with accounting effect from 1 October 2019. The demerger took place because the Group's global energy activities have been spun off into an independent company, Siemens Energy AG, which became listed on 28 September 2020.



Bjarne Lykke Sørensen
CEO, Siemens A/S

Statement by management

The Executive Board and the Supervisory Board have today discussed and approved the annual report, including the Management's review of Siemens A/S for 2019/2020.

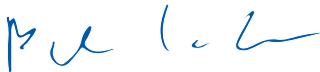
The annual report has been prepared following the Danish Financial Statements Act.

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 at 30 September 2020 and of the results of the company's operations and cash flows for the financial year 1 October 2019 – 30 September 2020.

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 2020.

Executive Board:



Bjarne Lykke Sørensen
(CEO)



Jürgen Lippert
(CFO)

Supervisory Board:



Per Mikael Gustaf Leksell
(Chairman)



Kenneth Elsberg



Jaana Maria Kupila



Bjarne Lykke Sørensen



Kurt Othendal Nielsen

Independent auditors' reports

To the shareholders of Siemens A/S

Opinion

We have audited the financial statements of Siemens A/S for the financial year 1 October 2019 – 30 September 2020, 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 on 30 September 2019. The results of its operations and cash flows for the financial year 1 October 2019 – 30 September 2020 follow 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. 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 Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern, and using the going concern basis of accounting in preparing the financial statements. This unless Management either intends to liquidate the company or 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. Still, it 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 users' economic decisions 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 an error. 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 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.

Independent auditors' reports

- 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 is following 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 2020

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Thomas Bruun Kofoed
State Authorised
Public Accountant
mne28677



Simon Blendstrup
State Authorised
Public Accountant
mne44060

Company details

Siemens A/S

Borupvang 9
DK-2750 Ballerup
CVR no.: 16 99 30 85
Established: 1993
Registered office: Ballerup

Supervisory Board

Per Mikael Gustaf Leksell, formand
Kenneth Elsberg
Jaana Maria Kupila
Bjarne Lykke Sørensen
Kurt Othendal Nielsen

Executive Board

Bjarne Lykke Sørensen
Jürgen Lippert

Auditor

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

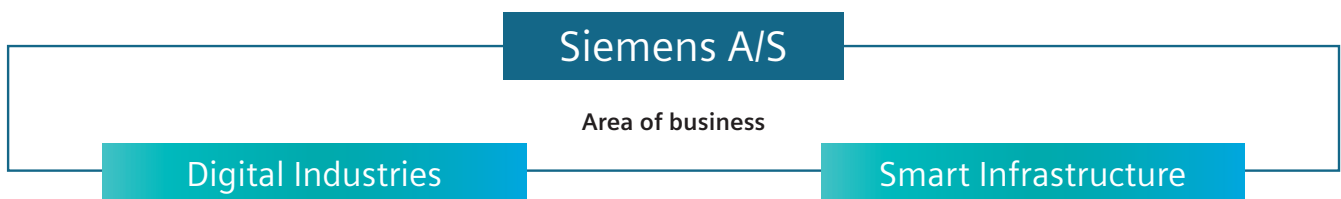
Thomas Bruun Kofoed
State Authorised Public Accountant

Simon Blendstrup
State Authorised Public Accountant

Annual general meeting

The annual general meeting will be held on 8 December 2020.

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 – a branch of Siemens Finans AB
- Mentor Graphics Scandinavia AB, Denmark Branch – branch of MG Scandinavia AB
- S'PA GmbH Branch Denmark

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 last five years

Key figures for the last five years					
DKK '000	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Revenue	1,766	1,822	2,908	3,049	2,753
Operating profit/loss	9	126	610	180	159
Net financials	0	0	-1	-5	-6
Profit/loss for the year	3	104	565	149	125
Dividend	108	132	581	137	152
Fixed assets	19	24	32	130	362
Current assets	627	819	1,817	964	997
Total assets	646	843	1,849	1,094	1,359
Share capital	151	151	151	151	151
Equity	286	414	864	436	439
Cash flows from operating activities	112	259	19	208	99
Cash flows from investing activities	-1	45	630	-3	-5
– amount related to investments in property, plant and equipment	-1	7	-3	-5	-5
Cash flows from financing activities	-111	-308	-201	-170	-158
– amount relating to net dividend distributions	-132	-581	-137	-125	-135
Total cash flows	0	-4	448	35	-64
Average number of employees	523	531	705	845	962
Asset turnover	2.4	1.4	1.8	2.5	2.1
Return on equity	1.0	20.7	82.9	34.1	28.0
Profit margin	0.5	6.9	21.0	5.9	5.8
Return on capital employed	1.2	9.4	37.8	14.7	12.1
Equity ratio	44.2	49.1	46.8	36.4	32.3

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.

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 Kopenhagen opened. Since then, Siemens has participated actively in Danish society's modernization, supplying state-of-the-art products and solutions, relentlessly focusing on electrification, automation, and digitalization.

The goal is to develop Danish society according to the overall UN Sustainable Development Goals from 2015, where climate and sustainability play a central role. These years' primary objective is to transform the Danish society so that the goal to reduce Danish CO₂ emissions by 70% by 2030 can be achieved. Great efforts are required in all sectors of society to achieve this – the energy sector, the industrial sector, the transport sector, the IT sector, the public sector, the agricultural sector, etc.

Technologies and solutions for reducing CO₂ emissions

In 2019, the Danish government invited several sectors to submit suggestions on how to achieve the goal, and in March 2020, the climate partnerships presented their proposal.

The reports show that a large part of the goal can be achieved with already known technologies and solutions. This finding is also concluded in the Danish Council on Climate Change's report on directions and measures to reduce the emission of CO₂ published in March 2020 (known paths and new tracks to 70 percent reduction).

Many of these technologies and solutions are at Siemens' disposal for our electrical infrastructure, buildings, and industrial activities.

Society must be fundamentally changed to operate on green electricity wherever it is economically responsible. Capacity must be built that is sufficient to provide green electricity to society as a whole. Then, 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 the energy and resource consumption and handling of peak loads through intelligent management. At the same time, it will be possible to optimize production using big 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 are essential tools in reducing the need to invest in the expansion of renewable energy production and enhancing the electricity grid.

The COVID-19 pandemic

The COVID-19 pandemic also hit Denmark in 2020. It meant that 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.

Initially, the pandemic resulted in Siemens, like many other companies, asking employees to work from home to the widest extent possible while ensuring that customers' plant and operations, including critical infrastructure, were safeguarded. Meanwhile, some measures were introduced in the workplace following the Danish authorities' recommendations to protect employees from infection.

Due to the measures taken, we succeeded in maintaining operations with minimal impact on productivity. Going forward, the experiences gained will be used to organize a workplace where employees experience improved flexibility through increased distance working. Therefore, we conducted a survey of the employees' experiences of working from home and the management challenges in this respect in October 2020. The results of the survey will be included in further work on developing the workplace.

In the financial year 2019/2020, 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).

Our business – risks and management system

After the demerger of Gas & Power on 1 October 2019, 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 either 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 with some 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.

Corporate Governance

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

With the demerger of Gas & Power, the share of large projects has been significantly reduced, which means that risks related to the management of large, complex projects and construction projects have decreased. However, Siemens still focuses on training and certifying project managers.

The demerger of Gas & Power to Siemens Energy A/S was carried out as a tax-exempt demerger. The Danish tax authorities assess that the demerger shall be taxable with payment of DKK 68 million. Siemens has appealed the assessment of the Danish tax authorities to the National Tax Tribunal. In view of Management, the Company will most likely win the appeal. Therefore, the financial statements for 2019/2020 is based hereon and no liability for tax payment has been recognized at 30 September 2020. Reference is made to note 22.

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

There is a significant risk that Great Britain will leave the EU without a deal, which will result in a high uncertainty as to the business conditions when trading with Great Britain going forward. It will negatively affect the business sector in Denmark, particularly in those dependent on the British market.

Moreover, the COVID-19 pandemic means that the companies' supply chains and market development will also be subject to uncertainty in 2021, putting a damper on growth.

In addition to market decrease and large projects, the hacking of Siemens' systems, breach 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 handling financial risks, including currency, interest rate, and credit risks, is described in the Management's review. Risks regarding Siemens' corporate social responsibility (CSR) are described in the section on staff 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. The management system is certified following ISO 9001 (quality), ISO 14001 (environment), and OHSAS 18001 (work environment), verified by Lloyd's every six months in order to identify deviations and improvement initiatives. The management system was certified most recently in February 2019. The management system is certified every third year, and consequently, the next certification will take place in February 2022 at the latest.

Siemens Business Conduct Guidelines (BCG) hold Siemens AG's general principles and rules regarding how we wish to run our business due 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 2019/2020, an online course on the company's business principles was conducted with a participation rate of 99%. The course focused on competition law.

Compliance officers have been appointed to disseminate the company's compliance culture, 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.

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 for Siemens. Efforts are made to improve preventive controls continuously and to 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 2019/2020, an online course on information security was conducted with a participation rate of 98%. The focus was on what the employees can do to safeguard the company against cyberattacks.

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

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

Customer satisfaction

Customer satisfaction is measured once a year through the internationally recognized Net Promoter Score (NPS), which assesses to which extent customers would recommend Siemens to other parties. Based on the survey results, 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, and consequently, the most recent figures originate from the survey conducted in spring 2019.

Development in the customers' evaluation of Siemens

Customer satisfaction (APS) ¹⁾	2019/2020	2018/2019	2017/2018
Customers' evaluation of Siemens (average on a scale from 1 to 10)	Not completed	8.32	8.31

¹⁾The question asked was: "How likely is it that you would recommend Siemens to a colleague or a business partner?" The figures for 2017/2018 and 2018/2019 have been restated due to the demerger of the Mobility activities' and the Gas & Power activities. 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.

Siemens A/S – business segments

Digital Industries

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

Industrial software activities are 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 decreased compared to the previous year due to a declining market, which was aggravated by the COVID-19 pandemic.

Digital Industries provides solutions for automation and digitalization of the industrial sector. The portfolio spans standard products and components as well as complete systems solutions. With ground-breaking technologies such as artificial intelligence, edge computing, industrial 5G, blockchain, and additive manufacturing (3D print) and with decades of experience, Siemens is a powerful 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 sales and services – focusing on optimization, flexibility, and value creation. In continuation of the COVID-19 pandemic, companies have become increasingly aware of the global value chains' vulnerability. With increased digitalization and the use of, e.g. additive manufacturing (3D print), it is possible to bring production and consumption closer together.

Optimum use of data is essential to the industrial sector. With Industrial Edge, data can easily and flexibly be processed, analyzed, and used directly by the machinery on the factory floor or as part of a cloud-based solution.

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.

The increasing digitalization and implementation of data collection and cloud solutions mean that 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 customers in the industry and sales handled by distributors and by certified Solution Partners. A large part of the sale of products and components takes place online via Siemens Industry Mail.

Focus on sustainability

Siemens supplies energy-efficient industrial components that are manufactured sustainably, making the customers' overall production more sustainable. This means improved competitiveness, lower energy costs, and reduced CO₂ emissions.

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.

Siemens' products are certified according to the ISO 50001 standard, which means that, 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.



FarmDroid robot solution contributes to improving sustainability in the agricultural sector

The company FarmDroid has developed the robot FD20 for sowing and weeding in the agricultural sector based on Siemens' software. The robot is driven by a solar panel, providing flexibility in movement and making it an environmentally friendly solution. The robot uses GPS technology to determine the exact location to sow and weed the field, thus creating a sustainable, profitable, and environmentally friendly solution for the agricultural sector.

A FarmDroid FD20 robot in action.

Siemens A/S – business segments

Smart Infrastructure

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

Smart Infrastructure works to develop intelligent buildings and energy systems and connect them. In that way, the electricity grid is fit for the increasing demand for electricity and the continued development of renewable energy and decentralized energy production. Going forward, 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 in 2019/2020 decreased compared to the previous year, which is attributable to the general slowdown due to the COVID-19 pandemic, which has led to a postponement of new projects and slower progress on ongoing projects.

Buildings and energy savings

Siemens Smart Infrastructure supplies products and solutions for buildings, saving energy, increasing comfort, and providing security by protecting people and values. Solutions may be provided 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 particular requirements in projects spanning, for instance, the pharmaceutical industry and preservation-worthy buildings.

With new, digital solutions, Siemens focuses on making buildings more user-oriented and operationally efficient, which paves the way for improved employee convenience, increased productivity, better utilisation of space and lower energy consumption, and reduced CO₂ emissions. The Siemens solutions Comfy and Enlighted enable companies to manage the number and distribution of employees in a building, which may increase security and reduce exposure hazards in connection with pandemics like the current COVID-19 pandemic.

Energy optimization of buildings (Energy & Performance Services) is an important business segment. 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 CO₂ emissions from buildings. Large ongoing projects include Sjællands Universitetshospital, Køge, og Sjællands Universitetshospital, Roskilde.

Products and solutions for the electrical infrastructure

Siemens Smart Infrastructure also supplies products and digital solutions for the electrical infrastructure in society that manages, controls and protects the electricity supply according to the individual customer segments' requirements – energy and utility companies, building owners and industrial companies, etc. The portfolio comprises components for solar cell systems and wind turbines, batteries for energy storage, microgrid technology, charging infrastructure for electric cars, electric buses, ferries, etc., and products for controlling all types of machines and motors.



The parking facilities of the future can be fitted with solar cells for charging electric cars

Due to the increasing number of electric cars, the need for expanding the charging infrastructure is increasing. As many cars are parked at the workplace for the majority of the day, it is only natural to fit the parking area with the possibility to charge the electric car, e.g. in the form of solar cells. Such a solution is part of the energy retrofitting project at Holbæk Hospital.

A parking area at Siemens Advanced Microgrid Research and Demonstration Lab in Princeton, USA.

Siemens A/S – business segments

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.

It is crucial to protect the critical infrastructure against cyberattacks. At Siemens, cybersecurity work starts on the very day when a new product is developed. Furthermore, Siemens supplies equipment that can test appliances in the complete system landscape to detect weaknesses, thus reducing the risk of cyberattacks, e.g. in 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 necessary to phase out fossil fuels. Simultaneously, the electricity grid must be fit for a growing number of consumers (including buildings) that also generate electricity. The need will increase for intelligent solutions that can decide, e.g. when a building should get electricity from the electricity grid, when it should charge its own 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 be implemented to future-proof the electricity grid.

Staff 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 professional and personal development.

Therefore, Siemens has implemented some 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 that collaborates with Management to monitor developments and initiate initiatives.

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. Also, there are activities at client sites in connection with commissioning and assembly and service, including transport.

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

In respect of workplaces outside Siemens, safety is a significant focus area. 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 is low, which indicates that the efforts made to increase safety and health in the workplace are effective.

In 2019, Siemens AG implemented a new concept for employee surveys. However, due to the COVID-19 pandemic, only one survey was conducted in the financial year 2019/2020.

The survey from December 2019 showed a minor decrease in the overall engagement score from 80% to 77% and a very low participation rate of 43%. The low participation rate is probably due to "survey fatigue" as the previous survey was conducted in September. On the other hand, the share of employees who stated that they did not intend to leave Siemens increased from 68% to 74%.

The survey in December did not give rise to any company-wide measures. The results were discussed in the Cooperation Committee (Samarbejdsudvalget) and with the employees in the individual departments where local measures are taken when relevant.

Employee commitment	2019/2020	2018/2019	2017/2018
Overall commitment score in percent ¹⁾	77%	80%	Not completed

¹⁾ The commitment score is calculated based on the response to the question: "I would recommend Siemens to a friend as a great place to work." Share scoring 7 or higher on a 1-10 scale (average of surveys conducted in the year).

Diversity

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 the general meeting on 30 September 2020, corresponding to a share of 33%, the goal has been met.

The two employee representatives on the Board are both men.

In 2019/2020, Siemens A/S saw a decline in the number of female executives, which is primarily attributable to the demerger of Gas & Power, which had a relatively high share of female executives (42%)

In 2020, further initiatives have therefore been 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%. Initially, a diversity council has been established to increase the focus on the matter in the company.

Female executives	2019/2020	2018/2019	2017/2018
No. of women in executive positions ¹⁾	10%	12%	11%

¹⁾ Comprises the total share of women with management responsibilities. The figures for 2017/2018 and 2018/2019 have been restated due to the Mobility and the Gas & Power activities' demerger.

Staff matters

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 designing solutions.

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 both customers and suppliers to implement ongoing improvements.

As safety and health are an integral part of the business and day-to-day operations, it is essential 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 that matches the company's objective has been established. 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 OHSAS 18001. Therefore, analyses of the physical and mental working environment (workplace assessments) are regularly performed. 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 with absence exceeding one day decreased in 2019/2020 and is now well below the goal set of a maximum of three accidents per million working hours. The sickness absence statistics also show a decrease compared to 2019/2020. Apart from the company's continuous focus on safety and health, the COVID-19 pandemic has likely had an effect since a large number of employees have been working from home for a long period and have to a lesser extent than previously been sick with the cold or the flu due to the measures taken to reduce the exposure hazard.

Accidents and sickness absence	2019/2020	2018/2019	2017/2018
No. of accidents with absence per million working hours ¹⁾	1,6	2,5	3,2
Sickness absence as a percentage ²⁾	1,6 %	2,1 %	2,4 %

¹⁾ No. of accidents with absence exceeding one day measured by reference to the total number of prescribed working hours.

²⁾ No. of hours absent owing to own or child's illness as a percentage of the total number of prescribed working hours. The figures for 2017/2018 and 2018/2019 have been restated due to the Mobility and Gas & Power activities' demerger.

Health

Job satisfaction and health are top priorities in Siemens. This is, e.g., demonstrated in the canteens, which are committed to making healthy food. Besides, 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 giving them the possibility to 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. Additionally, Siemens usually has several teams participating in the annual DHL relay races in Copenhagen and Aarhus, but these were canceled in 2020 due to the COVID-19 pandemic.

Competence development

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

Therefore, competence development is a matter of high priority in Siemens. The Performance Management Process (PMP) is a management concept that has been implemented across the global Siemens organization. The PMP aims to provide each employee with tools and motivation to do their best following the company's objectives and strategy. As part of the PMP process, each employee's performance in the past financial year and his/her development potential, including the potential to undertake new positions in the future, are evaluated. Moreover, targets are set for the coming year.

Siemens has its own project manager training program designed to ensure a high quality of its projects and minimize the risk of loss. Therefore, all projects generating over EUR 2.5 million revenue must be staffed by a certified project manager. Project managers are continuously trained and certified to ensure that the necessary resources and skills are available at all times to handle the various project categories. However, with the demerger of the Mobility activities in 2018 and Gas & Power in 2019, the need for new project managers in Siemens A/S is reduced. In 2019/2020, no new project managers were certified (including commercial project managers). On 30 September 2020, Siemens had 13 certified project managers and four commercial project managers.

Environment

Siemens' vision in the environmental area is to be a green company with targeted efforts to protect the environment who includes 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, CO₂ emissions from company cars as well as waste volumes where specific targets have been set.

The development in consumption and emissions is monitored continuously to assess the possibility to reduce the environmental impact to the widest extent possible. For instance, the car policy stipulates the limits for the CO₂ emissions of company cars, and employees extensively use modern communications technology to limit travelling, which has been of significant importance during the COVID-19 pandemic.

The Siemens AG Group aims at reducing the Group's CO₂ emissions by 50% in 2020 compared to 2015 and at being carbon-neutral in 2030.

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 are certified in accordance with the so-called LEED Gold standard (Leadership in Energy and Environmental Design), which ensures optimum energy utilisation and sound indoor climate.

The below overview shows the trend in the financial ratios of the building.

Waste and consumption of electricity, water and heating ¹⁾	2019/2020	2018/2019	2017/2018
Total volume of waste in tons	106.0	120.1	119.6
- share to be recycled as a percentage (target: 60%)	62%	60%	59%
Consumption of electricity in kWh per m ² (target maximum: 84 kWh/m ²)	73.6	79.0	76.6
Consumption of heating in kWh per m ² (target maximum: 80 kWh/m ²)	33.1	31.9	31.1
Consumption of water in litres per m ² (target: -5% per year)	293.5	350.8	361.2

¹⁾ At the address Borupvang 9 in Ballerup.

The total volume of waste declined by almost 12% in 2019/2020, and the share that is recycled increased further to 62%.

The consumption of electricity decreased by almost 7%, and the water consumption decreased by a little over 16%, which is probably attributable to the fact that fewer employees were at the offices due to the COVID-19 pandemic, par-

ticularly in the period March-April 2020 during the comprehensive lockdown. The heating consumption increased by almost 4% but is still significantly lower than the fixed maximum value.

Siemens A/S meets its annual consumption of electricity via Ørsted with renewable energy certificates from the Anholt wind farm. By purchasing certificates, Siemens A/S ensures that the company contributes to more renewable energy production in Denmark. Ørsted guarantees that an amount corresponding to the supplier's net income is reinvested or donated to promote the development of or research into the production of renewable energy in Denmark.

Our company cars are a significant source of CO₂ emissions, and as part of the goal to become carbon-neutral, Siemens AG aims to reduce emissions from company cars significantly.

The table below shows the trend in CO₂ emissions from company cars owned by Siemens A/S.

CO ₂ emissions from company cars ¹⁾	2019/2020	2018/2019	2017/2018
Standard emissions (g/km)	129.1	122.1	117.8
Actual emissions (g/km)	167.2	167.4	169.1

¹⁾ The survey shows emissions from the total portfolio of company cars with white licence plates in the respective financial years. The figures for 2017/2018 and 2018/2019 have been restated due to the demerger of the Mobility activities and the Gas & Power activities.

The standard figure for the total portfolio of company cars was 129.1 g/km at 30 September 2020, which is an increase of almost 6% compared with last year. The actual increase due to the change of car models is difficult to assess as a significant share of the increase is attributable to the transition to a new calculation standard where first NECD2 and now WLTP are weighted increasingly higher as the car fleet is replaced compared with the previous NECD1 calculation.

The actual emission was slightly reduced and is still significantly above standard. Overall, the company cars emitted almost 880 tonnes of CO₂ in 2019/2020, which is a decrease of almost 17% compared to the previous year. In addition, service trucks emitted almost 607 tonnes of CO₂, which is a decrease of 3% compared to the previous year. The decrease in absolute emissions is presumably attributable to the lower mobility due to the COVID-19 pandemic.

The car policy was revised in 2019 so that, going forward, the basis for assessing the energy efficiency of the cars will be their energy rating. To motivate employees to choose a company car with low CO₂ emissions, Siemens has introduced a supplementary user charge when employees choose a car with energy rating B. On the other hand, employees who choose a car with energy rating A++ can choose a car with a higher Total Cost of Ownership. As the useful life of the cars is four years, it will, however, take some time before the effects of this measure are reflected in the figures.

Local communities

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

Siemens takes an active part in its communities, both nationally and locally, by contributing to its local communities. The support for local communities' activities primarily relates to education where Siemens wants 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. Moreover, Siemens is an active player in the annual People's Political Festival on Bornholm, where the management team participates in many debates. Unfortunately, the Festival was canceled in 2020 due to the COVID-19 pandemic.

The risk of carrying on business in Denmark in respect of 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. Also, 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 abuse types. These principles are also reflected in the requirements of Siemens' suppliers, which are described in the section on activities above.

In autumn 2020, sexual harassment in society became a focal point. In a newsletter to our employees, Management, therefore, emphasized Siemens' policy in this area, which strongly disapproves all types of harassment, violence, and bullying.

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 2019/2020, the Foundation donated DKK 308,000 for 11 study projects, which each received between DKK 10,000 and DKK 30,000, and 3 activities whose purpose is to increase technology interest. 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.

Sponsorship

Siemens is co-sponsor of the Danish Association of Engineers "Engineer the Future" campaign, whose purpose is to attract more young people to the engineering profession. Siemens also supports IDA's Girls' Day in Science initiative, whose goal is to attract more women to the technological study programs within the STEM areas (Science,

Great concentration at Girls' Day in Science

Girls' Day in Science was held on 30 September 2020 at Siemens in Ballerup. The picture shows two girls concentrating on programming a Raspberry Pi, enabling them to control temperature, pressure, light, etc.

Moreover, they attended a guided tour of the house, which ended with speed dating in groups so that they had a chance to meet our female technical staff and ask questions about career opportunities and other subjects.

Photo: Rikke Felletoft Hansen



Technology, Engineering, Mathematics). As part of our support, a workshop was held at Siemens where 16 girls from the 8th grade at Baltorpskolen in Ballerup participated in an interesting day with focus on technology. Through a hackathon, the girls programmed a Raspberry Pi and thus experienced a bit of what Siemens' female technical staff work with daily.

Siemens also co-sponsors 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 early 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.

In addition to the company donation, employees can choose to donate the value of their company Christmas gift to the Christmas Seal Fund.

Financial review – Siemens A/S

In the financial year, revenue decreased by DKK 56 million from DKK 1,822 million last year to DKK 1,766 million this year.

Relative to 2018/2019, the company's selling costs and administrative expenses increased by DKK 21 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 3 million, which is down DKK 129 million on the year before and below the expectations expressed in the annual report for 2018/2019. Part of the decrease is attributable to the lower revenue due to the COVID-19 pandemic, which aggravated an already existing market trend. Apart from the lower revenue, a significant part of the decrease in results is attributable to losses and provisions on projects.

Profit for the year amounts to DKK 3 million. DKK 108 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 196 million compared with last year. The decrease is primarily attributable to reduced trade receivables and a financial receivable from group entities and joint taxation contributions payable.

Cash flows

Cash flows from operating activities decreased from DKK 258 million to DKK 113 million, mainly due to decreased cash flows from operating activities and working capital.

Investments

During the year, investments totaling DKK 1 million were made in property, plant, and equipment. This is in line with last year. Investments for the year comprise fixtures and operating equipment as well as plant under construction.

Outlook

Siemens expects an increase in revenue of 5% 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 2020/2021 is expected to increase compared with 2019/2020.

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. Furthermore, the Group hedges a minimum of 75% of its net currency positions and net positions under EUR 1 million.

Interest rate risks

Siemens' interest-bearing debt primarily consists of financial debt to group entities. It is not the company's policy 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 2019/2020.

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 4 million was expensed in the income statement for Siemens A/S for 2019/2020.

Income statement

Financial statements 1 October – 30 September

DKK '000	Note	2019/2020	2018/2019
Revenue	3	1,766,338	1,821,665
Production costs		-1,494,949	-1,504,544
Gross profit/loss		271,389	317,121
Selling costs		-262,017	-259,493
Administrative expenses		-25,842	-6,928
Profit/Loss before other operating income		-16,470	50,700
Other operating expenses	4	6	0
Other operating income	5	25,595	75,539
Profit/Loss before net financials		9,131	126,239
Financial income	6	34	194
Financial expenses	7	-2,186	-459
Profit/Loss from ordinary activities		6,979	125,974
Tax on profit from ordinary activities	8	-3,570	-22,313
Profit/Loss for the year from continuing operations		3,409	103,661
Profit/Loss after tax from discontinued operations	9	0	28,380
Profit/Loss for the year		3,409	132,041

Balance sheet

Financial statements 1 October – 30 September

Assets			
DKK '000	Note	2019/2020	2018/2019
Fixed assets			
Intangible assets	10		
Goodwill		400	480
Total intangible assets		400	480
Property, plant, and equipment	11		
Land and buildings		4,582	5,785
Leasehold improvements		10,194	13,573
Plant and machinery		3,219	4,247
Plant under construction		779	0
Total property, plant, and equipment		18,774	23,605
Investments			
Equity investments in subsidiaries	12	0	0
Total investments		0	0
Total fixed assets		19,174	24,085
Non-fixed assets			
Inventories		17,428	18,892
Receivables	13		
Trade receivables		311,125	377,664
Receivables from group entities		191,745	212,400
Construction contracts, net	14	42,246	35,479
Deferred tax asset	15	3,483	3,045
Corporation tax receivable		46,295	0
Joint taxation contributions receivable	16	0	150,914
Other receivables		10,395	17,387
Prepayments	17	4,727	3,154
Total receivables		610,016	800,043
Cash		0	0
Assets relating to discontinued operations	9	0	135,378
Total non-fixed assets		627,444	954,313
Total assets		646,618	978,398

Financial statements 1 October – 30 September

Equity and liabilities

DKK '000	Note	2019/2020	2018/2019
Equity			
Share capital		151,000	151,000
Retained earnings		26,950	132,471
Proposed dividend		107,552	132,000
Total equity		285,502	415,471
Provisions			
Warranty commitments	18	33,062	29,871
Deferred tax	19	0	0
Other provisions	20	15,834	12,427
Total provisions		48,896	42,298
Liabilities other than provisions			
Current liabilities other than provisions			
Prepayments received from customers		18,029	14,364
Trade payables		52,901	51,016
Payables to group entities		573	0
Joint taxation contribution payable	16	39,297	0
Corporation tax payable		0	141,618
Other payables		172,075	149,003
Prepayments	21	29,345	30,628
Liabilities relating to discontinued operations	9	0	134,000
Total current liabilities other than provisions		312,220	520,629
Total liabilities		312,220	520,629
Total equity and liabilities		646,618	978,398
Events after the balance sheet date			
Contingent liabilities	22		
Staff costs	25		
Fees paid to the auditor appointed at the annual general meeting	26		
Distribution of profit/loss	27		
Use of derivative financial instruments	28		
Related parties and related party transactions	29		
Pending legal actions	30		

Statement of changes in equity

Financial statements 1 October – 30 September

DKK '000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 30 September 2018	151,000	132,430	581,000	864,430
Dividends paid	0	0	-581,000	-581,000
Profit/Loss for the year	0	41	132,000	132,041
Equity at 30 September 2019	151,000	132,471	132,000	415,471
Distribution of the Gas & Power division by way of demerger	0	-1,378	0	-1,378
Dividends paid	0	0	-132,000	-132,000
Profit/Loss for the year	0	-104,143	107,552	3,409
Equity at 30 September 2020	151,000	26,950	107,552	285,502

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 statements 1 October – 30 September			
DKK '000	Note	2019/2020	2018/2019
Revenue		1,766,338	1,821,665
Costs and other operating income		-1,757,207	-1,695,426
Adjustments	23	12,892	-19,938
Cash generated from operating activities before changes in working capital		22,023	106,301
Changes in working capital	24	94,570	154,276
Financial income and expenses, net		-2,152	-265
Corporation tax paid and prior-year adjustments		-1,710	-2,054
Cash flows from operating activities		112,731	258,258
Acquisition of property, plant, and equipment		-1,436	-2,508
Acquisition of intangible assets		0	-560
Disposal of property, plant, and equipment		50	9,033
Disposal of activities		0	38,708
Cash flows from investing activities		-1,386	44,673
Changes in financial receivables from group entities (Siemens Financial Services)		20,655	273,443
Distributed dividends		-132,000	-581,000
Cash flows from financing activities		-111,345	-307,557
Cash flows from operating, investing, and financing activities for the year		0	-4,626
Cash and cash equivalents at 1 October		0	4,626
Cash and cash equivalents at 30 September		0	0

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

Notes

Financial statements 1 October – 30 September

1 - Accounting policies

The financial statement of Siemens A/S has been prepared according to the provisions in the Danish Financial Statements Act 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.

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 value of the asset 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 individual item.

Certain financial assets and liabilities are measured at amortized cost using the effective interest method. Amortized cost is made up as 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 before presenting 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, provisions, and reversals resulting from 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 transaction date.

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 are recognized in the income statement under the 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 asset or liability cost, 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 regularly.

Financial statements 1 October – 30 September

Income statement

Revenue

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

When entering into customer contracts, it is assessed whether each 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, which are 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 excl. VAT and taxes charged on behalf of third parties. All types of discounts granted are recognized in revenue.

The fair value corresponds to the agreed price discounted at the present value where payment terms exceed 12 months.

The part of the total remuneration that is variable, such as discounts, bonus payments, penalty payments, etc., is only recognised in revenue when it is reasonably certain that no subsequent reimbursement thereof will occur, e.g. 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.

Contracting 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 on an ongoing basis, including a reasonable profit for the work performed.

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

When a construction contract's income and costs cannot be estimated reliably, revenue is recognized solely at the costs incurred 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.

Production costs

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

Selling costs

Costs incurred in selling goods sold during the year and in 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.

Administrative expenses

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

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.

Other operating expenses

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

Income from equity investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognized in the Parent Company's income statement after full elimination of intra-group profits/losses.

Notes

Financial statements 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, as well as 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 group 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 according 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. 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 asset's expected economic life, 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. Any impairment losses are taken to the income statement when 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. The 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 property, plant, and equipment disposal 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.

Financial statements 1 October – 30 September

Leases

Leases concerning property, plant, and equipment, where the Company bears all significant risks and enjoys all significant benefits associated with the title to such assets (finance leases) are recognized in the balance sheet at the fair value of the leased asset if such a value exists. If the present value of future lease payments is lower at the acquisition date, the asset is recognized at this value. In calculating the current value, the discount factor is the interest rate implicit in the lease or an approximation thereof.

Assets held under finance leases are depreciated and impaired as the Company's other property, plant, and equipment items.

The capitalized residual lease commitment is recognized in the balance sheet as a liability. The interest element of the lease payment is recognized in the income statement on an ongoing basis over the lease term.

Leases in respect of 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.

Equity investments in subsidiaries

Equity investments in subsidiaries are measured, based on the parent's accounting policies, at the Company's proportionate share of the subsidiaries' net asset value minus or plus unrealized intra-group gains and losses.

Subsidiaries with a negative net asset value are measured at DKK 0. Any receivable is written down by the Parent Company's share of the negative net asset value insofar as it is considered irrecoverable. If the negative equity value exceeds the receivable, the balance is recognized under 'Provisions' insofar as the parent has a legal or constructive obligation to cover a deficit in the subsidiary.

According to the equity method, net revaluations of equity investments in subsidiaries are taken to the net revaluation reserve to the extent the carrying amount exceeds the cost.

Impairment of assets

The carrying amount of intangible assets, property, plant, equipment, and equity investments in subsidiaries and associates is tested annually for an 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 an asset's net selling price 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.

Other securities

Securities are measured at the lower of cost and market value.

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, thereby taking market-ability, obsolescence, and developments in the expected selling price into account.

Receivables

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

Notes

Financial statements 1 October – 30 September

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 contract's anticipated loss. The provision is expensed under production costs.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

The proposed dividend expected to be distributed for the year is recognized as a liability at the date of adoption and is presented as a separate line item in equity.

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.

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 balance sheet 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 the tax rate are recognized in the income statement.

Liabilities

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 loan term.

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

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Financial statements 1 October – 30 September

Presentation of discontinued operations

Discontinued operations comprise a separate, major line of business whose activities and cash flows are clearly distinguishable, operationally and for financial reporting purposes, from the Company's other lines of business and where the line of business has either been disposed of or separated as held for sale and the sale is expected to be effected within one year following a formal plan. Discontinued operations also include entities that are classified as held for sale in connection with the acquisition.

The profit/loss after tax of discontinued operations and value adjustments after tax of related assets and liabilities and gains and losses on disposal are presented as a separate line item in the income statement, and comparative figures are restated accordingly. Revenue, costs, value adjustments, and tax relating to discontinued operations are disclosed in the notes. Assets and relating liabilities regarding discontinued operations are presented as separate line items in the balance sheet without restatement of comparative figures, and the main items are specified in the notes.

Cash flow statement

The cash flow statement shows the Company's net cash flow for the year, broken down by operating, investing, 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 the acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

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

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, and securities related to investing activities.

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, receivables from and payables to group entities, as well as the raising and repayment of mortgage debt, other long-term liabilities, and short-term bank debt.

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.

Notes

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2 - Events after the balance sheet date

No significant events have occurred after the balance sheet date.

DKK '000	2019/2020	2018/2019
3 - Revenue		
<i>Geographic split</i>		
Sale of goods, national	1,550,323	2,267,231
Sale of goods, international	216,015	241,670
Transferred to profit/loss after tax from discontinued operations	0	-687,236
Total revenue	1,766,338	1,821,665
<i>Segment information</i>		
Gas & Power	0	687,236
Digital Industries	885,051	925,068
Smart Infrastructure	880,218	893,306
Portfolio Companies, other	1,069	3,291
Total revenue	1,766,338	2,508,901
4 - Other operating expenses		
Loss on disposal of fixed assets	6	0
Total other operating expenses	6	0
5 - Other operating income		
Gain on disposal of fixed assets	0	5,502
Gain on disposal of activity	0	6,562
Gain on disposal of subsidiary shares	0	38,708
Rental income	25,595	24,767
Total other operating income	25,595	75,539
6 - Financial income		
Interest receivable, other group entities	6	194
Other interest income	28	0
Total financial income	34	194
7 - Financial expenses		
Interest payable, other group entities	1,807	15
Interest payable, bank debt, and securities	0	228
Guarantee commission	271	673
Other interest expenses and warranty commitments	108	0
Transferred to profit/loss after tax from discontinued operations	0	-457
Total financial expenses	2,186	459
8 - Tax on profit from ordinary activities		
Tax for the year	3,570	22,313
<i>Specified as follows:</i>		
Tax on the taxable income for the year	4,589	24,287
Prior year adjustment	-496	3,670
Adjustment of deferred tax	-523	2,361
Transferred to profit/loss after tax from discontinued operations	0	-8,005
Total tax for the year	3,570	22,313

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9 - Discontinued operations

As of 1 October 2019, Siemens A/S has demerged its activities in the Gas & Power division to Siemens Energy A/S. Siemens Energy A/S is wholly-owned by Siemens Gas and Power Holding B.V., Den Haag, the Netherlands.

The profit/loss after tax from the Gas & Power division is presented as a separate line item in the income statement as profit/loss after tax from discontinued operations and totals DKK 28,380 thousand for 2018/2019.

Profit/loss from discontinued operations is specified in main items below:

DKK '000	2019/2020	2018/2019
Revenue	0	687,236
Production costs	0	-622,418
Gross profit/loss	0	64,818
Selling costs	0	-25,587
Administrative expenses	0	-2,389
Profit/Loss before net financials	0	36,842
Financial expenses	0	-457
Profit/Loss from ordinary activities	0	36,385
Tax on profit/loss from ordinary activities	0	-8,005
Profit/Loss for the year	0	28,380

Assets and liabilities relating to discontinued operations

DKK '000	2019/2020	2018/2019
Assets relating to discontinued operations		
Fixtures and fittings, tools and equipment	0	318
Inventories	0	3
Trade receivables	0	94,660
Contract work in progress, net	0	23,807
Receivables from group entities	0	15,840
Other receivables	0	657
Prepayments	0	93
Total assets relating to discontinued operations	0	135,378
Liabilities relating to discontinued operations		
Warranty commitments	0	5,847
Deferred tax	0	7,031
Other provisions	0	307
Prepayments received from customers	0	75,181
Trade payables	0	7,885
Other payables	0	35,403
Prepayments	0	2,346
Total liabilities relating to discontinued operations	0	134,000
Total net assets relating to discontinued operations	0	1,378

Notes

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DKK '000	Goodwill
10 - Intangible assets	
Cost at 1 October 2019	204,639
Disposals for the year	-72,903
Cost at 30 September 2020	131,736
Amortization at 1 October 2019	-204,159
Amortization for the year	-80
Disposals for the year	72,903
Amortization at 30 September 2020	-131,336
Carrying amount at 30 September 2019	480
Carrying amount at 30 September 2020	400
Amortized over	Max. 15 years

DKK '000	Land and buildings	Leasehold improvements	Fixtures and operating equipment	Plant under construction	Total
11 - Property, plant, and equipment					
Cost at 1 October 2019	28,151	32,949	32,727	0	93,827
Additions for the year	0	0	657	779	1,436
Disposals for the year	0	-87	-155	0	-242
Cost at 30 September 2020	28,151	32,862	33,229	779	95,021
Depreciation at 1 October 2019	-22,366	-19,376	-28,480	0	-70,222
Depreciation for the year	-1,203	-3,379	-1,635	0	-6,217
Disposals for the year	0	87	105	0	192
Depreciation at 30 September 2020	-23,569	-22,668	-30,010	0	-76,247
Carrying amount at 30 September 2019	5,785	13,573	4,247	0	23,605
Carrying amount at 30 September 2020	4,582	10,194	3,219	779	18,774
Depreciated over	25-50 years	Lease term	3-10 years	0	0

Financial statements 1 October – 30 September		
DKK '000	2019/2020	2018/2019
12 - Equity investments in subsidiaries		
Cost at 1 October	0	46,470
Disposals for the year	0	-46,470
Acquisition cost at 30 September	0	0
Adjustments at 1 October	0	-48,949
Disposals for the year	0	48,949
Carrying amount at 30 September	0	0
13 - Receivables		
Of total receivables, long-term borrowing totals DKK 0 thousand (2018/2019: DKK 0 thousand)		
14 - Construction contracts, net		
Construction contracts	610,514	1,186,177
Prepayments received from customers	-586,297	-1,216,435
Transferred to liabilities relating to discontinued operations	0	51,373
Total construction contracts	24,217	21,115
<i>Distributed as follows in the balance sheet:</i>		
Construction contracts, net	42,246	35,479
Prepayments received from customers, net	-18,029	-14,364
Total construction contracts	24,217	21,115
15 - Deferred tax asset		
Deferred tax asset at 1 October	3,045	0
Changes in deferred tax for the year	438	3,045
Deferred tax asset at 30 September	3,483	3,045
The deferred tax asset relates to:		
Intangible assets	0	106
Property, plant, and equipment	6,916	15,760
Current assets	-14,361	-14,697
Provisions and liabilities	10,928	1,876
Deferred tax asset at 30 September	3,483	3,045
16 - Joint taxation balance		
Tax charge receivable from intra-group entities	3,036	150,914
Tax charge receivable from extra-group entities	9,791	0
Tax charge payable to intra-group entities	-100	0
Tax charge payable to extra-group entities	-52,024	0
Total joint taxation balance	-39,297	150,914

Notes

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17 - Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

DKK '000	2019/2020	2018/2019
18 - Warranty commitments		
Warranty commitments at 1 October	29,871	38,950
Used during the year	-1,975	-3,450
Release of unused warranty commitments	-1,712	-7,006
Provision for the year	6,878	7,224
Transferred to liabilities relating to discontinued operations	0	-5,847
Warranty commitments at 30 September	33,062	29,871
<i>Expected maturities for warranty commitments:</i>		
0-1 year	3,173	0
1-5 years	20,288	15,098
> 5 years	9,601	14,773
Warranty commitments at 30 September	33,062	29,871
19 - Deferred tax		
Deferred tax at 1 October	0	1,971
Prior year adjustment	0	-346
Adjustments of deferred tax in the year	0	5,406
Transferred to liabilities relating to discontinued operations	0	-7,031
Deferred tax at 30 September	0	0
<i>Deferred tax relates to:</i>		
Intangible assets	0	0
Property, plant and equipment	0	0
Current assets	0	0
Provisions and liabilities	0	0
Deferred tax at 30 September	0	0
20 - Other provisions		
Other provisions at 1 October	12,427	14,131
Used during the year	-3,786	-6,478
Release of unused warranty commitments	-5,256	-8,981
Provision for the year	12,449	14,062
Transferred to liabilities relating to discontinued operations	0	-307
Other provisions at 30 September	15,834	12,427
<i>Expected maturities for other provisions:</i>		
0-1 year	4,978	3,522
1-5 years	4,665	7,130
> 5 years	6,191	1,775
Other provisions at 30 September	15,834	12,427

21 - Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Financial statements 1 October – 30 September

DKK '000	2019/2020	2018/2019
22 - Contingent liabilities		
Performance bonds vis-à-vis third party	97,755	105,075
Hereof guaranteed by the consolidated entity	86,865	88,348
Rent obligations	97,354	94,155
Other lease commitments	25,077	35,684
Tax assessment	67,980	0
<p>The Company is jointly and severally liable with other jointly taxed group entities to pay 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.</p> <p>Moreover, the Company is jointly and severally liable with associates in the joint taxation group until 28 September 2020, after which they have left the joint taxation group.</p> <p>The demerger of Gas & Power to Siemens Energy A/S was carried out as a tax-exempt demerger. The Danish tax authorities assess that the demerger shall be taxable with payment of DKK 68 million. Siemens has appealed the assessment of the Danish tax authorities to the National Tax Tribunal. In view of Management, the Company will most likely win the appeal. Therefore, the financial statements for 2019/2020 is based hereon and no liability tax payment has been recognized at 30 September 2020.</p>		
23 - Cash flow statement – adjustments		
Gain on the disposal of fixed assets	6,297	6,789
Change in warranty provisions	0	-2,733
Change in other provisions	3,191	-3,232
Miscellaneous adjustments	3,407	-1,397
Adjustments relating to discontinued operations	-3	-41,187
Cash flow statement – total adjustments	0	21,822
Cash flow statement – total adjustments	12,892	-19,938
24 - Changes in working capital		
Changes in inventories	1,464	9,408
Changes in receivables	65,191	137,609
Change in trade payables, etc.	27,915	8,854
Adjustments relating to discontinued operations	0	-1,595
Total changes in working capital	94,570	154,276

Notes without reference

Financial statements 1 October – 30 September

DKK '000	2019/2020	2018/2019
25 - Staff costs		
Remuneration of the Company's Supervisory Board	38	124
Remuneration of the Company's Executive Board	7,651	7,493
Wages and salaries, total	361,635	406,625
Pensions	34,459	40,000
Other social security costs	4,925	7,739
Transferred to profit/loss after tax from discontinued operations	0	-68,451
Total staff costs	408,708	393,530
Average number of employees	523	604
Adjustments relating to discontinued operations	0	-73
Total average number of employees	523	531
26 - Fees paid to the auditor appointed at the annual general meeting		
Total fees	531	690
Total fees	531	690
<i>Specified as follows:</i>		
Fee for statutory audit	506	611
Fee for other assurance assistance	0	59
Fee for non-audit services	25	20
Total fees	531	690
27 - Distribution of profit/loss		
Proposed distribution of profit/loss		
Proposed dividend	107,552	132,000
Retained earnings	-104,143	41
Profit for the year after tax	3,409	132,041

28 - 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.

	Payment/ maturity	Receivables	Payables	Hedged through forward exchange contracts	Net position
EUR	<1 year	107,316	-3,613	-4,089	99,614
NOK	<1 year	0	-203	0	-203
GBP	<1 year	415	-6	0	409
CHF	<1 year	109	0	0	109
SEK	<1 year	0	-67	0	-67
PLN	<1 year	8	0	0	8
AUD	<1 year	0	-72	0	-72
I alt		107,848	-3,961	-4,089	99,798

At 30 September 2020, unrealised net gains on derivative financial instruments entered into for foreign currency hedging purposes totalled DKK 38 thousand, which has been recognised in the income statement.

Financial statements 1 October – 30 September**29 - 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.

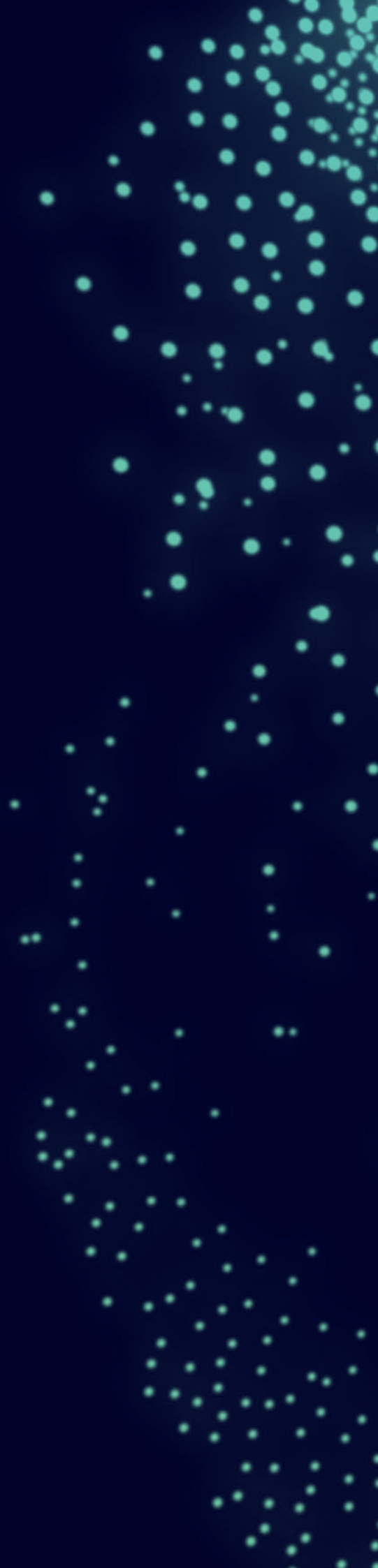
DKK '000	2019/2020	2018/2019
Related party transactions		
Acquisition of goods and services from related parties	1,170,932	1,642,409
Sale of goods and services to related parties	168,048	152,473

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.

30 - Pending legal actions

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



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