

Convenience Translation

**Siemens Aktiengesellschaft
Berlin and Munich**

Interim balance sheet
as of 31 March 2020



**“Independent auditor’s report on the closing balance sheet pursuant to
Sec. 17 (2) in conjunction with Sec. 125 Sentence 1 UmwG**

To Siemens Aktiengesellschaft, Berlin and Munich

Opinion

We have audited the closing balance sheet including explanatory notes (hereinafter referred to as the closing balance sheet) of Siemens Aktiengesellschaft, Berlin and Munich, as of March 31, 2020.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying closing balance sheet complies, in all material respects, with the requirements of German commercial law applicable to business corporations pursuant to Sec. 17 (2) Sentence 2 in conjunction with Sec. 125 Sentence 1 UmwG.

Pursuant to Sec. 17 (2) Sentence 2 UmwG in conjunction with Sec. 125 (1) UmwG and Sec. 322 (3) Sentence 1 HGB [“Handelsgesetzbuch”: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the closing balance sheet.



Basis for the opinion

We conducted our audit of the closing balance sheet in accordance with Sec. 17 (2) Sentence 2 UmwG in conjunction with Sec. 125 Sentence 1 UmwG and Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the closing balance sheet" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the closing balance sheet.

Responsibilities of management and the Supervisory Board for the closing balance sheet

Management is responsible for the preparation of the closing balance sheet that complies, in all material respects, with the requirements of German commercial law applicable to business corporations pursuant to Sec. 17 (2) Sentence 2 UmwG. In addition, management is responsible for such internal control as it, in accordance with German legally required accounting principles, has determined necessary to enable the preparation of a closing balance sheet that is free from material misstatement, whether due to fraud or error.

In preparing the closing balance sheet, management is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the closing balance sheet.



Auditor's responsibilities for the audit of the closing balance sheet

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 17 (2) Sentence 2 UmwG in conjunction with Sec. 125 Sentence 1 UmwG and Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this closing balance sheet.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the closing balance sheet, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit of the closing balance sheet in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of this system of the Company.
- ▶ Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.



- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the closing balance sheet 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 be able to continue as a going concern.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

Munich, May 6, 2020

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Spannagl
Wirtschaftsprüfer
[German Public Auditor]

Breitsameter
Wirtschaftsprüferin
[German Public Auditor]

Closing Balance Sheet of Siemens Aktiengesellschaft
pursuant to Sec. 17 (2) together with Sec. 125 sentence 1
Umwandlungsgesetz (Transformation Act)

as of March 31, 2020

Convenience Translation

Balance Sheet in accordance with German commercial law

(in millions of €)	March 31, 2020
Assets	
Non-current assets	
Intangible assets	
Concessions and industrial property rights	104
Goodwill	140
	244
Property, plant and equipment	
Land, land rights and buildings, including buildings on third-party land	144
Technical equipment and machinery	317
Other equipment, plant and office equipment	298
Equipment leased to others	70
Advanced payments made and construction in progress	88
	916
Financial assets	
Shares in affiliated companies	79,967
Shares in investments	999
Loans	3,428
Securities	5,902
	90,296
	91,456
Current assets	
Inventories	
Raw materials and supplies	456
Work in progress	275
Finished products and goods	281
Cost of unbilled contracts	958
Advance payments made	87
	2,058
Advance payments received	(1,086)
	971
Receivables and other assets	
Trade receivables	1,532
<i>thereof maturities more than one year</i>	78
Receivables from affiliated companies	15,604
<i>thereof maturities more than one year</i>	4,739
<i>thereof trade receivables</i>	15
Receivables from long-term investees	115
<i>thereof maturities more than one year</i>	113
Other assets	963
<i>thereof maturities more than one year</i>	14
	18,214
Other Securities	408
Cash and cash equivalents	2,992
	22,586
Prepaid expenses	111
Deferred tax assets	784
Active difference resulting from offsetting	60
Total assets	114,998

	March 31, 2020
Shareholders' equity and liabilities	
Shareholders' equity	
Subscribed capital ¹	2,550
Treasury shares	(139)
<i>Issued capital</i>	2,411
Capital reserve	8,145
Other retained earnings	16,004
Unappropriated net income	2,955
	29,515
Special reserve with an equity portion	619
Provisions	
Provisions for pensions and similar commitments	11,504
Provisions for taxes	572
Other provisions	2,850
<i>thereof personnel-related provisions</i>	1,096
<i>thereof provisions for onerous contracts from derivative financial instruments</i>	606
<i>thereof provisions for decontamination obligations</i>	537
	14,926
Liabilities	
Liabilities to banks	5
<i>thereof maturities more than one year</i>	-
Trade payables	1,130
<i>thereof maturities more than one year</i>	1
Liabilities to affiliated companies	67,419
<i>thereof maturities more than one year</i>	12,958
Liabilities to long-term investees	1
<i>thereof maturities more than one year</i>	-
Miscellaneous liabilities	1,049
<i>thereof maturities more than one year</i>	14
<i>thereof from taxes</i>	40
<i>thereof for social security</i>	209
	69,604
Deferred income	334
Total shareholders' equity and liabilities	114,998

¹ Conditional Capital as of March 31, 2020 amounted to €1,261 million.

Annex to Balance Sheet

1. General Disclosures

Siemens Aktiengesellschaft has registered offices in Berlin and Munich, Germany. The Company is registered in the commercial register maintained by the local courts in Berlin Charlottenburg, Germany, under the entry number HRB 12300, and in Munich, Germany, under the entry number HRB 6684.

2. Shareholders' equity

	October 1, 2019	Share buybacks	Issuance of treasury shares under share-based payments and employee share programs	Appropriation of the unappropriated net income for the fiscal year 2018/2019 including distribution of dividends	Net Income	March 31, 2020
(in millions of €)						
Subscribed capital	2,550	–	–	–	–	2,550
Treasury shares	(112)	(41)	14	–	–	(139)
Issued capital	2,438	(41)	14	–	–	2,411
Capital reserve	8,091	–	53	–	–	8,145
Other retained earnings	14,514	(1,006)	427	2,069	–	16,004
Unappropriated net income	5,384	–	–	(5,243)	2,814	2,955
Shareholders' equity	30,428	(1,047)	494	(3,174)	2,814	29,515

The capital stock of Siemens AG is divided into 850,000,000 registered shares of no par value with a notional value of €3.00 per share.

Other retained earnings included a portion attributable to equity from reversal of impairments of non-current and current assets amounting to €792 million.

3. Special reserve with an equity portion

Special reserve with an equity portion includes reserves pursuant to Section 6 b of the German Income Tax Act (Einkommensteuergesetz), recognized and transferred in fiscal years prior to the transition to regulations of the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz), as well as special tax allowances pursuant to Section 4 of the German Assisted Areas Act (Fördergebietsgesetz) exceeding the depreciation according to HGB.

4. Provisions for pensions and similar commitments

The amount representing the difference of the recognition of provisions for pensions and similar commitments based on average interest rates covering ten and seven years, respectively, amounted to €1.022 million.

5. Guarantees and other commitments

	March 31, 2020
(in millions of €)	
Obligation from guarantees	2,748
Warranty obligations	110,179
<i>thereof relating to financing of affiliated companies</i>	51,860
<i>thereof relating to performance guarantees on behalf of affiliated companies</i>	52,377
<i>thereof others</i>	5,942
Guarantees and other commitments	112,927

Warranty obligations included obligations of Siemens AG to affiliated companies amounting to €411 million.