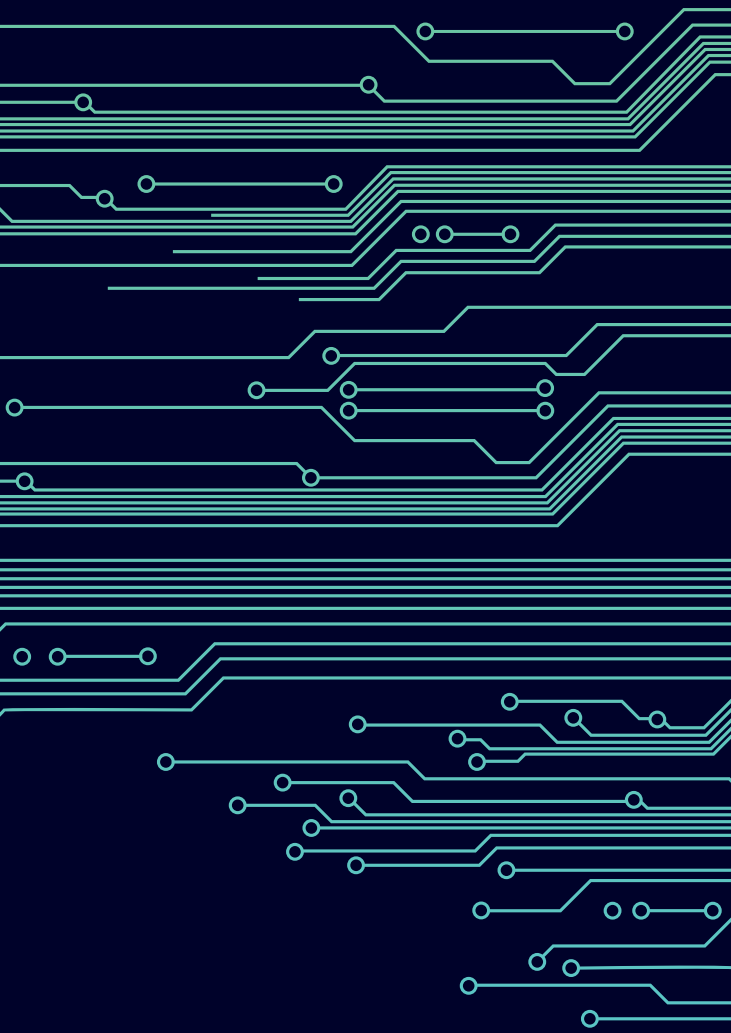


SIEMENS



CVR NO. 16 99 30 85

Siemens A/S
Annual report
2022/2023

[siemens.dk](https://www.siemens.dk)

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The year at a glance for Siemens A/S

In the financial year 2022/23, revenue decreased by DKK 167 million from DKK 2,098 million last year to DKK 1,931 million this year, corresponding to a decline of 8%. The decline is attributable to the divestment of the motor business, which is recognized as discontinuing operations. Considering the divestment of the motor business, revenue has increased by 6%.

In the financial year, Siemens A/S realized a profit of DKK 65 million, which is up DKK 6 million from the year before. The earnings improvement is attributable to an increase in the product business. Moreover, there has been a positive development in demand from major pharma and infrastructure customers, and the volume of service contracts has also been increasing.

Of profit for the year totalling DKK 65 million, DKK 94 million is expected to be distributed as a dividend to the parent company, Siemens International Holding B.V., Den Haag, the Netherlands.

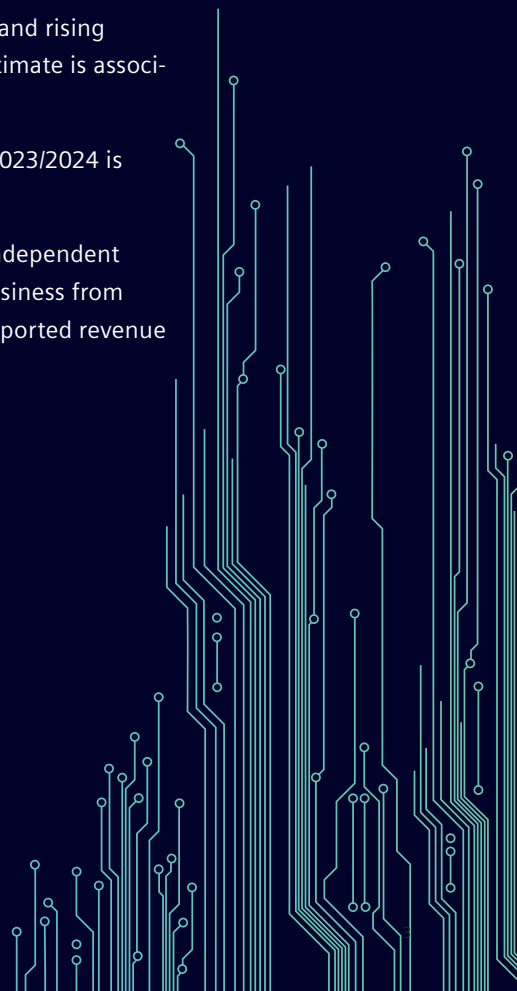
The average number of employees increased from 480 in the financial year 2021/2022 to 495 in the financial year 2022/2023.

The Danish economy is expected to show a weak growth of around 1.5% in 2024. However, the general development covers significant differences between the industries, where, for example, the pharmaceutical industry is expected to grow more than average. Against this background, Siemens A/S expects revenue growth in 2023/2024 of around 5%, considering the divestment of the motor business. However, geopolitical uncertainty remains high, and with inflation and rising interest rates, the risk of recession exists, and consequently, the estimate is associated with some uncertainty.

The Company's profit from ordinary activities in the financial year 2023/2024 is expected to increase by 30-40% compared with 2022/2023.

As part of Siemens AG's decision to divest the motor business, an independent company, Innometrics A/S, has been established, taking over this business from Siemens A/S with effect from 1 October. This part of the business reported revenue of DKK 291 million in 2022/2023.

Bjarne Lykke Sørensen
CEO, Siemens A/S



Statement by Management

The Executive Board and the Board of Directors have today discussed and approved the annual report of Siemens A/S for 2022/2023.


The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies used to be appropriate. Accordingly, the annual report gives a true and fair view of the Company's financial position on 30 September 2023 and of the results of the Company's operations and cash flows for the financial year 1 October 2022 – 30 September 2023.

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, 13 December 2023

Executive Board:



Bjarne Lykke Sørensen
(CEO)




Jürgen Lippert
(CFO)

Board of Directors:



Per Mikael Gustaf Leksell
(Chair)



Kenneth Elsberg



Jørgen Kudsk



Jaana Maria Kupila



Bjarne Lykke Sørensen

Independent auditor's report

To the shareholders of Siemens A/S

Conclusion

We have audited the financial statements of Siemens A/S for the financial year 1 October 2022 – 30 September 2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement, and notes, including accounting policies. The financial statements are prepared in accordance with 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 2023, and the results of its operations and cash flows for the financial year 1 October 2022 – 30 September 2023 are in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with 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 in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control that Management determines is necessary to prepare 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

continuing as a going concern and using the going concern basis of accounting in preparing the financial statements 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. However, there is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing 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.

Independent auditor's report

- 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 our auditor's report date. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure, and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 13 December 2023

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Thomas Bruun Kofoed
State Authorised Public Accountant
mne28677

Company details

Siemens A/S

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

Supervisory Board

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

Executive Board

Bjarne Lykke Sørensen
Jürgen Lippert

Auditor

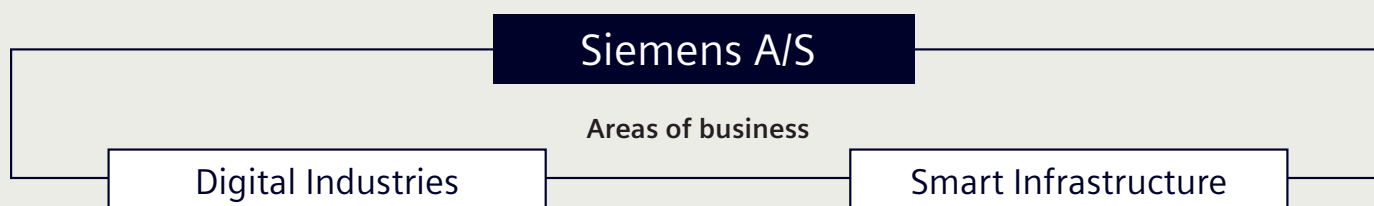
EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Thomas Bruun Kofoed
State Authorised Public Accountant
MNE-nr.: mne28677

Annual general meeting

The annual general meeting will be held on
13 December 2023.

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 Mobility Aarsleff Konsortium I/S
- Siemens Finans Danmark – branch of Siemens Finans AB
- Siemens Electronic Design Automation, branch of Siemens Electronic Design Automation AB
- S'PA GmbH Branch Denmark
- Innomotics A/S

Key figures for the past five years

Key figures for the past five years					
DKKm	2022/23	2021/22	2020/21	2019/20	2018/19
Revenue	1,931	2,098	1,876	1,766	1,822
Operating profit/loss	39	79	63	9	126
Net financials	-3	-1	-1	-2	0
Profit/loss for the year	65	59	46	3	104
Dividend	94	58	45	108	132
Non-current assets	8	14	17	19	24
Current assets	687	587	562	627	819
Total assets	695	601	579	646	843
Share capital	151	151	151	151	151
Equity	245	237	224	286	414
Cash flows from operating activities	23	48	-99	112	259
Cash flows from investing activities	-1	-4	-4	-1	45
– amount related to investments in property, plant and equipment	-1	-4	-4	-1	7
Cash flows from financing activities	-20	-44	103	-111	-308
– amount relating to net dividend distributions	-58	-45	-108	-132	-581
Total cash flows	2	0	0	0	-4
Average number of employees	495	480	492	523	531
Asset turnover	3.0	3.6	3.1	2.4	1.4
Return on equity	27.1	25.4	18.0	1.0	20.7
Operating margin	2.0	3.8	3.3	0.5	6.9
Return on capital employed	6.1	13.4	10.2	1.2	9.4
Equity ratio	35.2	39.5	38.6	44.2	49.1

Comparative figures are restated to reflect demergers and mergers.

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

Comparative figures have not been restated to reflect discontinuing operations.

Financial ratios have been calculated as shown below:

Asset turnover

The year's revenue relative to average operating assets.

Return on equity

Profit/loss for the year relative to average equity.

EBIT margin

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

Return on assets

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

Solvency ratio

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

Operating review

The development in the global average temperature in 2023, followed by a record-warm September in Denmark, leaves no doubt that getting the green transition into an even higher gear is urgent. Politicians obviously have a great responsibility to set goals and establish a framework for the investments required to develop Denmark into becoming a fossil-free society. As a company, we have a great responsibility for reducing our own climate impact and contributing to reducing our customers' and suppliers' impact.

In 2021, the Siemens Group joined the Science Based Target initiative (SBTi), which, in continuation of the Paris Agreement, is working on limiting global warming to 1.5 degrees Celsius compared to pre-industrial levels. This also affects our Danish business, where we contribute to the Group's goal of becoming carbon-neutral by 2030 in several ways.

The phase-out of fossil-powered company cars has started, and the goal is for the entire fleet to run on electricity by 2030. At the end of the 2022/2023 business year, pure electric vehicles accounted for 19% of the total fleet, and plug-in hybrids accounted for 33%. In addition, we have changed our travel policy to reduce travel activity in connection with meetings and, as far as possible, choose the most climate-friendly modes of transport. We also focus on the energy consumption in our buildings. All power for Siemens' leases in Denmark is thus supplied from renewable energy sources. However, the heating is based on district heating, which continues to emit CO₂.

Siemens' most significant opportunity to contribute to reducing CO₂ emissions lies in the Group's technologies, products, and solutions, as Siemens' own emissions (scopes 1 and 2) account for less than 0.1% of the total scope 3 emissions, which, in the business year 2022, were estimated to almost 458 million tonnes at group level, of which 11.5 million tonnes are from upstream activities (Siemens Sustainability Report 2022).

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 modernizing Danish society, supplying state-of-the-art products and solutions with relentless focus on electrification, automation, and digitalization.

The target is to deliver technology solutions that contribute to the transition towards a more sustainable society to ensure that the target of reducing the Danish CO₂ emission by 70% in 2030 can be achieved – and in the long run be neutralized in 2050.

Technologies for the green transition

Electrification, automation, and digitalization are important means of reducing the climate impact of our operations.

Siemens has a wide range of technologies, products, and solutions that, in various ways, contribute to reducing energy and resource consumption, optimizing transport, strengthening our electrical infrastructure, etc.

Often, the solutions are implemented in collaboration with partners. In June 2023, Siemens entered into a collaboration with the Danish division of Körber Supply Chain, which will accelerate the roll-out of new digital solutions to the industry. In this context, cybersecurity plays a major role, where Siemens is responsible for providing secure solutions for storing data from production.

In connection with the transition of society into using more renewable energy, production facilities for the production of green hydrogen must be built. European Energy is building two Power-to-X plants in Aabenraa and Esbjerg, respectively, and has chosen Siemens as their supplier. Both plants will be equipped with advanced solutions from Siemens, which, among other things, ensure scalable access protection, alarm systems, perimeter security solutions with advanced CCTV and radar technologies, and a security management platform.

With the increasing electrification of society, expansion of the electricity grid is critical to be able to distribute large volumes of power to be used for charging electric cars, electrification of heat supply, production plants, etc. In the business year 2022/2023, Siemens has won several orders for automation and switchgear for the distribution grid and expects further orders in the coming years, as the need for expansion of the electricity grid is growing.

The growing need for power must not only be met by establishing renewable energy and expanding infrastructure. Everywhere, we should optimize our use of energy and conserve power. Siemens has also contributed to this in 2022/2023 through several energy optimization projects, including for Danish shopping centers.

Operating review

Launch of Siemens Xcelerator in the Nordic region

Siemens Xcelerator is Siemens' take on the digitalization of the future – a new, open business platform where Siemens invites customers and suppliers to cooperate and trade with Siemens and with each other.

Siemens Xcelerator was launched at a joint event in the Nordic countries on 14 September for more than 500 customers in the Nordic region. The event focused on how digitalization can be used to create new business opportunities and speed up the green transition. The importance of cooperation and partnerships – and the many challenges associated with them – was underlined in several speeches.



The launch of Siemens Xcelerator was a Nordic event which took place simultaneously in Finland, Norway, Sweden, and Denmark on 14 September. More than 500 customers participated in the Nordic events, of which approx. 50 in Denmark. The speech by Juditch Wiese, member of group management in Siemens AG, was presented via a webcast from Stockholm.

Photo: Siemens

Digitalization and green transition were also on the agenda at a major customer event earlier this year, where the opportunities for increasing the use of digital technologies were presented. A key element in the green transition is increased transparency in relation to individual products' emissions, which is important to prioritize the approach taken. At the conference, Siemens launched its proposal for how companies can obtain reliable data on the climate footprint of products through SiGREEN, a new platform for sharing CO2 data at product level with the possibility of third-party certification. SiGREEN is part of the Siemens Xcelerator portfolio.

Northstar projects focus on diversity and inclusion

Siemens wants a diverse and inclusive workplace where employees thrive, develop, and feel seen and valued.

Throughout the year, the topic has been highlighted both in Denmark and in the Nordic region, where a working group with the participation of employees from all the Nordic countries has worked on ideas to strengthen diversity and inclusion. These ideas are part of the Nordic #NorthStar project, which has resulted in several tips on how to hold inclusive meetings. The tips are listed on a dice placed in all meeting rooms.



Siemens A/S has been working for several years to get more women into management positions. The previous target of matching the proportion of women in management positions with the proportion of women in the company (13%) was achieved in 2023. Therefore, a new and more ambitious target has been formulated for the share of female managers to reach 20% by 2025 at the latest. That year, the proportion of female top managers should be 30%.

Diversity and inclusion are not just about gender. Siemens A/S has 12 different nationalities, meaning approximately 4% of the employees do not speak Danish. Therefore, culture and language are important to consider in developing an inclusive workplace.

The recurring employee surveys show a high level of inclusion, but according to the latest survey from April 2023, just under 4% of employees have experienced the feeling of being excluded in the past six months. This figure is relatively stable and covers many different reasons why individual employees may feel excluded.

Learning across the Nordic countries

Leadership and learning are key to achieving results. In 2023, this was highlighted through a joint Nordic managerial development program. L.E.A.P. (Lead. Empower. Accelerate. Practice) included four learning modules from the Group's managerial development training, which were conducted online. The learning modules were supplemented by knowledge-sharing in small groups of managers across countries and business areas/functions to strengthen the network among managers in the Nordic countries. The program will continue in the coming business year.



Siemens' daily management team consists of eight people, equally distributed concerning gender. The Group represents an age range of 20 years, seven different educational backgrounds, and three nationalities.

From the left in the picture, Anne Friis, Jürgen Lippert, Adina Usiewicz, Bjarne Lykke Sørensen, Lotte Odgaard, Andrea Waenerlund, Jesper K. Nilson and Max B. Andersen.

Photo: Siemens

Financial review

The financial results in the business year 2022/2023 were satisfactory.

Revenue decreased by DKK 167 million from DKK 2,098 million last year to DKK 1,931 million this year.

Relative to 2021/2022, the Company's selling expenses and administrative expenses increased by DKK 21 million.

Siemens A/S realized a profit of DKK 65 million, which is an increase of DKK 6 million compared with the year before and in line with the expectations expressed in the annual report for 2021/2022.

Profit for the year amounts to DKK 65 million, and DKK 94 million is expected to be distributed as dividends to the parent company, Siemens International Holding B.V., Den Haag, the Netherlands.

Balance sheet

Total assets increased by DKK 94 million compared with last year. The increase is primarily attributable to an increase in trade receivables.

Cash flows

Cash flow from operating activities decreased from DKK 48 million to DKK 23 million, which is mainly due to an increase in profit for the year and a positive increase in working capital, which was primarily driven by an improvement in receivables.

Investments

During the year, investments totaling DKK 1 million were made in property, plant, and equipment. Investments for the year comprise fixtures, operating equipment, and leasehold improvements.

Outlook

Siemens A/S expects a revenue growth in 2023/2024 of around 5%, considering the divestment of the motor business. However, geopolitical uncertainty remains high, and with inflation and rising interest rates, the risk of recession exists, which means that the estimate is associated with some uncertainty.

The Company's profit from ordinary activities in the financial year 2023/2024 is expected to increase by 40-50% compared with 2022/2023 due to improved earnings.

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. The Group's policy is not to engage in active speculation in financial risks. Thus, the Group's financial management activities aim only at managing assumed risks.

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 made in Euro and Danish Kroner.

The Group's currency policy is to hedge projects with a net exposure in foreign currencies corresponding to more than EUR 1 million. Transactions in euros are not hedged.

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 0.9 million.

Credit risks

Siemens is not exposed to any significant risks relating to any particular customer or business partner. According to Siemens' policy for assuming credit risks 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 1.4 million was expensed in the income statement of Siemens A/S for 2022/2023. Thereof, DKK 1 million relates to incentive programmes for the Executive Board.

Furthermore, Siemens AG has established a program for all employees, allowing them to acquire shares with an option to acquire additional shares after two more years of ownership.

In this connection, an amount of DKK 1.7 million was expensed in the income statement of Siemens A/S for 2022/2023.

Business areas

Siemens A/S is organized into two business segments: Digital Industries and Smart Infrastructure, which market Siemens AG's products and solutions to private companies and public customers in Denmark directly or through distributors and agents.

Cooperation between the business segments is ensured, e.g., through Siemens' Key Account Management, which aims to strengthen Siemens' cooperation with customers. The targeted efforts in relation to several significant customers also make Siemens less sensitive to general market fluctuations.

The portfolio is very broad, spanning the sale of individual components, products, and software 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. The project business is primarily driven by Smart Infrastructure.

The Pharma industry and Power-to-X are two important focus areas. The Danish pharma industry is rapidly developing, and in particular Novo Nordisk is making significant investments in their production facilities. Regarding Power-to-X, the market is in the set-up phase, and production facilities will be built. Siemens has provided supplies to some of the first production facilities, and when the series production has been established, Siemens aims to become a considerable supplier.

Digital Industries

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

The software products and related services from the associated company, Siemens Industry Software A/S, are a part of Siemens' total Digital Enterprise portfolio.

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

Digital Industries' sales are divided into direct sales to machine manufacturers and end customers in the industry and sales via distributors and certified Solution Partners. A large part of product and component sales occur online via Siemens SiePortal. SITRAIN - Digital Industry Academy offers relevant training and courses adjusted to the customers' needs.

The year in outline

Compared with the year before, revenue increased, which is primarily attributable to the extensive order backlog, which was accumulated in 2021/2022. Consequently, earnings increased considerably as the increase in costs was lower than the increase in revenue.

Sales to the pharma industry are increasing, partly compensating for the decline in the important wind business. The wind business is expected to grow markedly in the long run, when adopted climate plans are to be implemented.

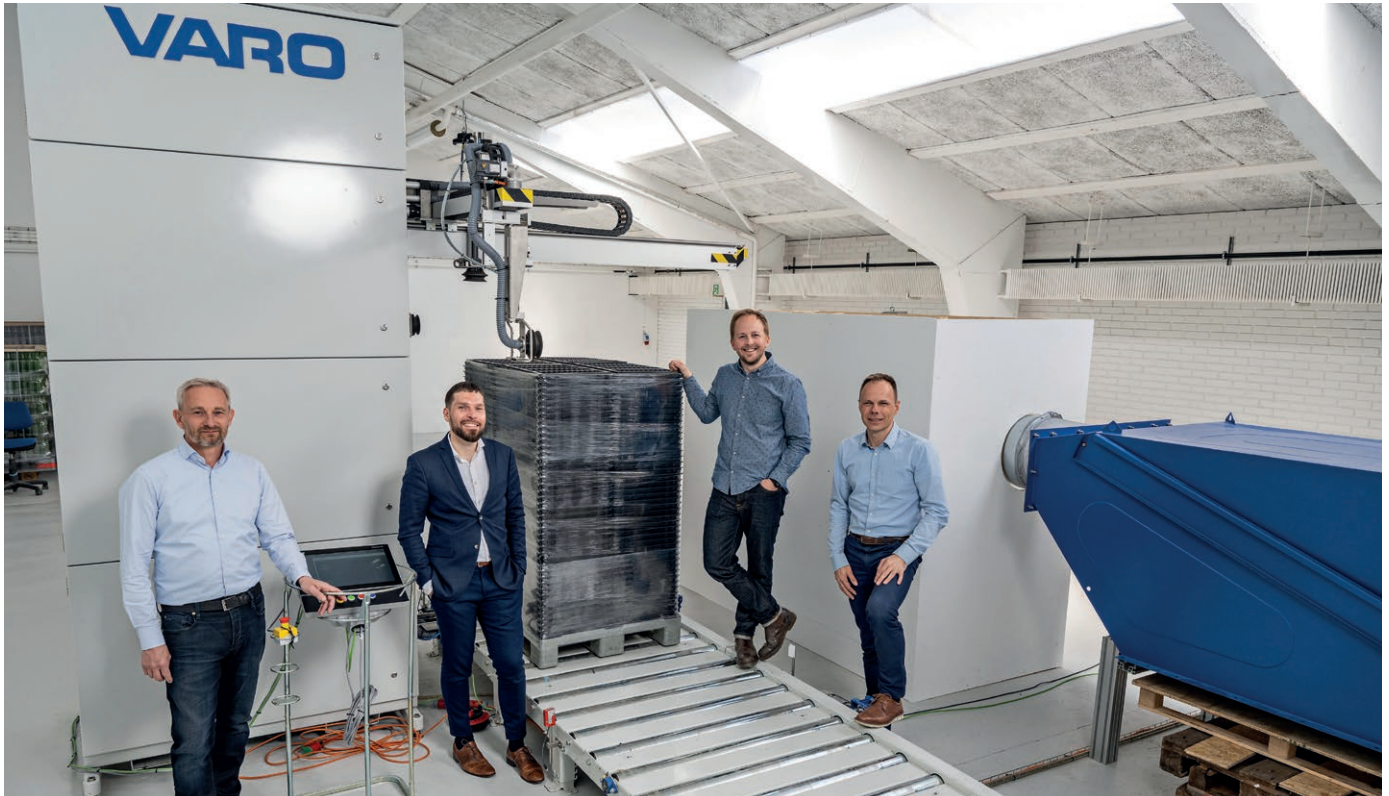
Siemens is still expanding its portfolio of products and solutions, which are prepared for digitalization and IoT (Internet of Things) - both directly at the plant and via a cloud solution. IoT-ready products provide the opportunity to further digitize production using new technologies and through the intelligent use of production data, etc.

Most recently, Siemens has launched Siemens Xcelerator, which is Siemens' take on the future way of collaboration – a new, open business platform where Siemens invites customers and suppliers to share knowledge and trade with Siemens and each other, and where an ever-increasing digital product portfolio is available.

With the launch of Siemens Xcelerator in Denmark and the Nordics, Siemens continues to develop digital solutions for the industry that integrate information technology (IT) with operational technologies (OT) to increase efficiency and flexibility in production and secure against cyberattacks.

Cybersecurity is becoming increasingly important

Digitalization and the growing network of machines and industrial systems also mean an increased risk of cyberattacks. Therefore, cybersecurity plays an increasingly important role, and it is important for companies to protect themselves against unauthorized access. In addition, the adopted NIS2 Directive, which will enter into force on 17 October 2024, will require an increased focus on security – especially for companies working with critical infrastructure.



Siemens recommends that a concrete strategy for cybersecurity, which reflects the Company's risk profile, be implemented based on the international security standard IEC 62443. This approach, which covers the customers' operational technologies at the plant and network and information technologies (OT/IT), is essential to effectively protect machines and industrial plants against cyberattacks.

With 'Defence in Depth', Siemens delivers a security concept that provides factories with all-around and in-depth protection as recommended in the international safety standard IEC 62443. This level of cybersecurity is directed at plant operation, integrators, and component manufacturers and covers all security aspects within Industrial Security.

To strengthen cross-border Industrial Security in our own organization, Siemens cooperates with other leading global companies and organizations from different sectors in an alliance named Charter of Trust. The alliance is based on ten principles, and the cooperation aims at making the digital world a safer place.

Digitalisation is the basis of a sustainable industry

Digitalization is increasingly on the agenda, enabling companies to respond more quickly to changing needs and transform production. In addition, the increased opportunities to analyze production data in real time using technologies such as AI and simulation software mean that companies can

optimize their production, among other things, to save energy consumption and reduce costly breakdowns.

Siemens supplies energy-efficient industrial components certified according to the ISO 50001 standard. This means that, when designing the product, including the selection of 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.

Standardization and advanced simulation software allow us to test machines, production lines, and production plants virtually before manufacture and implementation. This saves time and resources.

Siemens offers software solutions based on a complete data basis and overview of the carbon footprint, which helps ensure that rapid decisions can be taken in daily operations and a more sustainable production with less energy costs and less CO2 emission.

To a wide extent, digitalization can be used to accelerate a sustainable industry. By means of new weighing cards, which are fully integrated in the control system, Strøjer Tegl optimizes their production and saves important resources. The Advedøreværket has also benefited from weighing technology from Siemens. With a settlement-approved scale, it is possible to accurately calculate the amount of fly ash that needs to be added to optimize the burning value and keep

< The world's first machine to automatically remove stretch film from pallets

As the first in the world, Danish VARO has built an unwrapping machine that automatically removes stretch film from pallets, and with artificial intelligence, customers are absolutely sure that all the film is gone. Siemens has acted as a sparring partner and delivered the platform that keeps the system running.

The machine is based on a vision technology solution coupled with artificial intelligence that detects whether the stretch film is completely removed. With this solution, the process can take place completely without an employee having to spend time keeping an eye on or removing film residues.

"As the first company in the world, we have automated a traditional manual process, and because the process is unmanned, we need to provide process security to the customer. Therefore, in collaboration with Siemens, we have developed an AI-based system, where our algorithms provide certainty whether there is stretch film on it or not," says Arne Lundfold Bjerring, Technical Director at VARO.

Photo: Photographer Carsten Andersen.

From the left Søren Jakobsen, Head of Industrial AI in Siemens A/S, Anders Ottosen, Head of Industrial AI Sales in Siemens A/S, Bjarke Holm Thomsen, development engineer in VARO and Arne Lundfold Bjerring, technical manager in VARO.

the catalytic converters clean. As a side benefit, it is also possible to calculate the correct value of the used flyash to the authorities.

In recent years, Siemens has developed digital tools for reporting the CO₂ content of products, including third-party certification (SiGREEN). Siemens is also on the way with a so-called "Green Digital Twin", which contains the total environmental data for a product, which will be used to prepare environmental labels. Both solutions are highly relevant when companies have to calculate their climate footprint and resource consumption as part of the new EU requirements for corporate reporting in the future.

Business areas

Smart Infrastructure

Smart Infrastructure supplies products and solutions for the electricity distribution, buildings, and industry to increase the efficiency, security, and sustainability in the way we live, work, and move.

Smart Infrastructure works to develop intelligent buildings and energy systems and connect them so that the electricity grid is fit for the increasing demand for electricity and the continued development of renewable energy and decentralized energy production. Thereby, buildings will transform from solely being energy consumers to also being energy producers, enabling the management of a more fluctuating energy production based on renewable energy and the minimization of energy waste. At the same time, there is excellent potential for electrifying companies' production.

Smart Infrastructure comprises the business units Regional Solutions & Services, Electrification & Automation, Grid Software, eMobility, Electrical Products and Building Products.

The year in outline

Revenue increased in 2022/2023 compared with last year, which is attributable to a positive development within several business areas. Growth in the product business is mainly attributable to the large order backlog, which relates to the rapid growth in the order intake last year. In addition, the demand from significant pharma and infrastructure customers has developed positively, and the volume of service contracts has also increased.

Earnings in 2022/2023 showed a slight decrease compared with last year, which is attributable to additional costs for a few large projects.

Also, the launch of Siemens Xcelerator has been important to Smart Infrastructure, which, by means of the Building X-portfolio, has taken an important step in optimizing the performance of buildings through data-driven, intelligent solutions.

In collaboration with Digital Industries, Smart Infrastructure focuses on the erection of production facilities and infrastructure for producing and distributing green fuels and obtained the first orders for Power-to-X plants in Denmark in 2022/2023.

In the coming years, significant investments to expand the charging infrastructure and strengthen the electricity grid are

also expected for purposes of addressing the increasing electrification that is necessary to phase out fossil fuels. Siemens' sales to grid and distribution companies are thus growing, and in 2022/2023, Siemens obtained orders, i.e., for grid connections in connection with the offshore wind farm Thor.

The energy renovation of the hospitals in Køge, Holbæk, and Roskilde and the project in Nuuk municipality have been finalized. This year, several shopping center renovations have started, and new energy renovation projects are in the preparatory phase.

Buildings and energy savings with Building X

Smart Infrastructure supplies products and solutions for buildings, which save energy, increase comfort and create security by protecting people and values against, e.g., cyber-attacks. Solutions may be supplied individually or as end-to-end solutions comprising management of light, heating and ventilation, video surveillance, access control, anti-theft protection, and fire detection/fighting.

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

With new digital solutions such as Building X, Siemens focuses on making buildings more user-oriented and operationally efficient, paving the way for increased employee convenience, increased productivity, better utilization of space, lower energy consumption, and reduced CO₂ emissions.

Building X thus makes it possible to compare energy consumption, water consumption, and other emissions and see the development over time, because Building X gathers real-time data from all sources in one single overview. Artificial intelligence (AI) analytics and notifications help draw attention to areas where it is possible to optimize operations.

Since 80% of a building's costs are in the operational phase, optimizing operations, including energy efficiency, is an important focus area. As a so-called ESCO supplier (Energy Service Company), Siemens offers energy renovation solutions with guaranteed savings to public and private customers. The energy savings from these projects can finance the investment



Two new Power-to-X plants under construction

European Energy is in the process of building Kassø Solarpark in Aabenraa Municipality, which will be part of one of the world's largest e-methanol plants, where part of the power will be used to produce green fuels at a Power-to-X plant that will be placed together with the solar park. At the same time, European Energy is also developing a brand new Power-to-X plant in Esbjerg, where the power primarily comes from wind turbines. Both plants will be equipped with advanced solutions from Siemens, which, among other things, ensure scalable access protection, alarm systems, perimeter security solutions with advanced CCTV and radar technologies, and a security management platform.

We have decided to collaborate with Siemens as their expertise and innovative security solutions are of the highest quality. Siemens has a solid reputation in the industry and a documented track record within the supply of reliable and advanced solutions for complex plants such as our Power-to-X facilities. We look forward to a successful collaboration with Siemens and the possibility of utilizing their technological expertise to realize our visions of sustainable energy production", says Lars Dyrholm, manager of operations and maintenance within Power-to-X at European Energy.

Photo: Getty Images/iStockphoto

and contribute significantly to reducing energy consumption and thus CO₂ emissions from buildings.

Products and solutions for the electrical infrastructure

Smart Infrastructure also provides products and digital solutions for the electrical infrastructure in society, which manage, control, and protect the power supply according to the requirements of the various customer segments – energy and utility companies, building owners, and industrial companies, etc. The portfolio includes components for photovoltaic systems and wind turbines, batteries for energy storage, microgrid technology, charging infrastructure for electric cars, buses, trucks, etc., and products for managing all types of machines and motors.

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

It is important to protect the critical infrastructure against cyberattacks. At Siemens, the cybersecurity work starts on the very day when a new product is developed. Siemens also supplies equipment that can test appliances in the complete system landscape for purposes of detecting weaknesses and thus reducing the risk of cyberattacks in, for instance, the energy supply.

Corporate social responsibility

Business model

Siemens A/S is organized into two business segments: Digital Industries and Smart Infrastructure, which market Siemens AG's products and solutions to private companies and public authorities in Denmark directly or through distributors and agents.

The portfolio is very broad, spanning sale of individual components and products and software to large, complex projects in which engineering and project management are important elements of the total service delivery. The project business is primarily driven by Smart Infrastructure.

Risks and management system

As a subsidiary of 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

The global turmoil caused by Russia's invasion of Ukraine, the conflict in the Middle East, and the threat of a Chinese invasion of Taiwan generally mean more significant uncertainty about the future and the risk of sudden halts in supplies, declining energy supplies, and a decrease in investment, etc. In addition, the risk of serious cyberattacks has increased significantly.

Macroeconomic uncertainty, coupled with continued efforts to fight inflation through higher interest rates, generally dampens growth, although the risk of a direct downturn is assessed to be low.

In day-to-day business, risks associated with large, complex projects and construction projects pose a high risk of loss. Therefore, Siemens still focuses on training and certifying project managers.

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

The increasing number of successful, serious cyberattacks in Europe indicates an increasing risk for society's vital infrastructure and businesses. Based thereon, EU has just adopted the NIS2 Directive, which should contribute to protecting critical infrastructure.

EU's sanctions policy means that Siemens has increased its focus on the export control. In that connection, indirect export via third countries poses a particular problem as attempts to circumvent sanctions are difficult to reveal.

The above risks also represent opportunities for Siemens, as an increased pace of the green transition, including investments in energy infrastructure to reduce dependency on gas, as well as the cyber threat, increases the potential for Siemens as cybersecurity is incorporated into Siemens' products.

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

The transparency requirement applicable to business reporting in terms of sustainability, means that customers increasingly request information on the products' environmental impact, including CO₂ emissions, etc. Siemens is about to introduce environmental labels on all products in the portfolio in accordance with the international standard IEC 63430 and expects to have completed the process by 2026 at the latest. Thereby, there is a risk that some customers cannot obtain the details requested at the product level for a period, which ultimately poses a risk of loss of business.

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

Management system

Siemens A/S has an integrated management system, which includes the quality of Siemens' supplies as well as the internal and external environment. The management system is certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (work environment), verified by FORCE once a year to identify deviations and improvement initiatives. The management system is certified every third year, most recently in March 2022.

Siemens Business Conduct Guidelines (BCG) hold Siemens AG's general principles and rules regarding how we wish to run our business with due respect to applicable legislation and international and generally recognized conventions regarding human rights protection, anti-corruption, etc. At the time of their employment, all employees sign the BCG and are introduced to the guidelines as part of their induction process. Furthermore, employees are offered courses on selected topics to ensure that they are up to date on statutory requirements and the Group's guidelines and standards of ethical conduct. In 2022/2023, several online courses were conducted in Business Conduct Guidelines focusing on personal data (data privacy), the Danish Competition Act, and export control. These compulsory courses had a participation rate close to 100%.

The Group's BCG was updated in 2023 with increased focus on general ethical issues. Consequently, a new round of the general course in BCG was introduced in the autumn of 2023.

In addition to the courses, Siemens has set up a dialogue tool, Integrity Moments, which should help disseminate the compliance culture in the company. A similar dialogue tool, Sustainability Moments, was developed in 2022 to increase the knowledge of Siemens' sustainability strategy and the employees' engagement in the various subjects such as energy savings, diversity, etc.

A new round of Integrity Moments was launched in the Nordics in the autumn of 2023. In continuation of the changes to the BCG, focus on ethics, including data ethics, has increased.

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

Furthermore, Siemens has established a comprehensive system to handle risks using 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, and efforts are made to continuously improve preventive controls and to increase the ability to detect hacking attempts. In addition to technical solutions, it is essential that employees are constantly attentive to information security and personal data protection. Therefore, measures are continuously taken in the form of online training and courses focusing on personal data and cybersecurity, and from time to time, the employees' awareness of cyberattacks, e.g., in the form of phishing emails, is tested.

As part of implementing the NIS2 Directive, Siemens A/S plans i.a. to implement the management standard for information security, ISO 27001. The process starts in the autumn of 2023.

Siemens is aware of the risks associated with ESG (Environmental, Social and Governance). To mitigate those risks at an early stage of the sales process, an ESG Radar has been incorporated in Siemens' sales system, which gives the individual sales representatives or account managers the possibility of marking relevant risks for which it may be necessary to prepare measures to reduce the risk in question. That way, it will be possible to assess potential business opportunities far sooner based on a risk assessment.

Corporate social responsibility



Sustainability and DEGREE

Sustainability is an integral part of Siemens’ business. With DEGREE, the Group has established a framework for follow-up on the goals laid down within six areas: Decarbonization, Ethics, Governance, Resource efficiency, Equity, and Employability. The six areas are reflected in the quarterly ESG reporting in Siemens A/S.

Based on a so-called “double-materiality analysis”, Siemens AG has laid down the most significant focus areas for the sustainability strategy and related them to the UN’s 17 Sustainable Development Goals. Among the three most important areas are climate protection, sustainable product design based on circular principles, and social and ecological standards in the supply chain. Altogether, the Group has identified 15 important areas which will be addressed in the strategy. Most of these areas relate to governance and ethics, which reflects the increased focus on those subjects in the Group’s BCG.

The latest update of Siemens A/S’ policy for sustainability and corporate social responsibility (CSR) was in October 2023.

Protection of human rights

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

The most significant risk concerning human rights is considered to lie in the supply chain, where there is a risk that labor rights are not respected by subcontractors.

Siemens’ BCG contains the basic principles and rules on how Siemens’ employees are expected to act towards each other, external business partners as well as the general public. In addition to the requirement to comply with the applicable rule of law, the respect of 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 mean that Siemens tolerates neither discrimination based on the above-mentioned differences nor offensive behavior, sexual harassment, or other types of abuse. These principles are also reflected in Siemens’ requirements for its suppliers.

In 2022/2023, no complaints of sexual harassment or violence/bullying have been registered in the company, and no cases of breach of labor rights have been registered among Siemens A/S suppliers.

Supplier responsibility

Suppliers make up a significant part of the overall value chain. 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. 'Code of Conduct for Siemens Suppliers' builds on the principles of UN's Global Compact, which comprise the areas of respect for human rights, workers' right to organize, elimination of child labor and discrimination, environmental protection, and anti-corruption.

When entering particularly close business relations with Siemens, enterprises are furthermore subjected to a compliance due diligence process.

Siemens AG is the principal single 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.

Our aim is to perform two supplier audits a year. In 2022/2023, only one supplier audit was performed, as we had to postpone a planned audit to October.

Customer satisfaction

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

The most recent survey was carried out in the spring of 2023. As shown in the table below, the average score (APS) improved.

Development in the customers' evaluation of Siemens

Customer satisfaction (APS)			
	2022/2023	2021/2022	2020/2021
Customers' evaluation of Siemens (average on a scale from 1 to 10) ¹⁾	8.45	8.18	8.35

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

Social matters

Employees

One of Siemens' key assets is its skilled, creative, and highly committed employees. Activities to support employees' skills and commitment are therefore prioritized, and measures are implemented on a current basis to improve employees' health and job satisfaction as well as their professional and personal development.

Therefore, Siemens has implemented several policies to support these measures, including a sickness absence policy, a senior employees' policy, a recruitment and diversity policy, and a policy against harassment, violence, and bullying (including anti-discrimination, etc.). Moreover, Siemens has a well-functioning working environment organization, which, in cooperation with Management, monitors developments and initiates 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. In addition, there are activities at client sites in connection with commissioning and assembly as well as service, including transport.

Employee satisfaction is measured twice a year as part of the Siemens Group's global employee survey. In the fiscal year 2022/2023, one survey was conducted in November 2022 and one in April 2023. The total engagement score was 52% in November, which decreased to 48% in April. Thereby, the targeted score of 50% was met, when considering the full year 2022/2023. The response rate in the latest survey was 61%, which is an improvement on the first survey of the year but still far below the target of an 85% response rate.

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

Seen over the years, it is largely the same areas that recur as areas of improvement. High workloads, inefficient workflows, and disruptions are themes that recur across the organization and surveys. The problems relate particularly to the central support functions, which is why additional staff have been hired during the year. In addition, a workshop has been held to highlight the problems and discuss further actions.

Corporate social responsibility

In Digital Industries, management regularly conducts dialogue meetings with a small number of employees (approx. 10) at all three locations, where different themes are discussed. In 2022/2023, the focus has been on the fundamental values, cooperation, and customers. The close dialogue probably contributed to Digital Industries getting a higher engagement score in the latest biannual employee survey.

Employee commitment

	2022/2023	2021/2022	2020/2021
Overall commitment score in per cent ¹⁾	50 %	42 %	37 %

¹⁾ The commitment score is based on the answers to the statement: "I will recommend Siemens to a friend as a good place to work". Share scoring 9 or 10 on a 1-10 scale (average of surveys conducted in the year). The target figure has been changed compared to previously, where the scores 7 and 8 were included in the total score.

Diversity and inclusion

Diversity and inclusion are interconnected themes that have a major impact on the workplace.

Siemens strives to promote diversity in the Company as it should reflect the local communities. Moreover, diversity is considered a valuable source of innovation and development; similarly, lack of diversity thus poses a risk of stagnation.

In 2022/2023, inclusion was an important theme at the workplace. The theme is one of the four themes in the Nordic #NorthStar-project. In the spring, an online staff meeting was held in which representatives from Dansk Industry participated and discussed diversity and inclusion at the workplace. In June, the global Pride month was marked with flags, and on 27 June, rainbow-coloured cake was served in the canteens. In September, an online staff meeting was held at Nordic level, focusing on diversity and inclusion.

The development in employees' perceptions of whether Siemens is an inclusive workplace is monitored through the global employee survey. In the latest employee survey from April 2023, 3.7% of the employees replied that they had felt left out within the past six months. The results form part of follow-up procedures on the survey which take place in all departments of the business, which prepare local action plans. Moreover, the subject is a continuous focal point; see the above-mentioned activities.

Gender distribution in management - statement regarding section 99b of the Danish Financial Statements Act

Gender is an important subject in connection with diversity and inclusion.

On this basis, and by reference to Act no. 1383 regarding target figures and policies for the underrepresented gender, the Board of Directors of Siemens A/S has set the goal of equal gender distribution between men and women among members of the Board of Directors appointed by the general meeting. As the Board of Directors counted one female member appointed by the Company in general meeting on 30 September 2023, corresponding to a share of 33%, the goal has been met. As long as the number of board members appointed by the Company in the general meeting is three, the share of 33% female members remains the goal.

Siemens A/S' goal that the proportion of women in management positions should eventually correspond to the share of women in the Company, which as of 30 September 2022 amounted to 13%, was reached in 2022/2023, when the total number of women in management positions increased to 19%. Due to the positive development, the target was increased in May, so that the share of female managers should reach 20% by 2024/2025. Therefore, the objective is close to being achieved.

At the same time, due to the new legislative requirements, a specific target of a 30% female share by 2024/2025 has been set for senior management positions. The total share of women in top management positions at Siemens A/S was 27% as of 30 September 2023.

Female executives

	2022/2023	2021/2022	2020/2021
The share of women in executive positions at top level ¹⁾	27 %	13 %	20 %
Goal for 2024/2025: 30%			
Total share of women in executive positions ²⁾	19 %	13 %	8 %
Goal for 2024/2025: 20%			

¹⁾ Includes the Executive Board and the executives with staff responsibility, who refer to the Executive Board, a total of 15 persons.

²⁾ Includes the total number of women with staff responsibility, a total of 67 persons

In 2020, the Executive Board set up a diversity council with male and female executive members from various parts of the business, who provide advice to Management and prepare action plans for purposes of promoting increased gender parity. The focus areas are, among others, the recruitment process, management, and career paths.

Based on recommendations from the work group, considerable efforts are made in the recruitment process to increase awareness of female candidates and to mitigate potential bias by the recruiting manager in the selection process.

Among other things, this takes place when preparing for new recruitments, where the recruiting manager receives material, including videos focusing on potential bias in the employment process. Additional focus has been put on the wording of job advertisements, which, to a higher extent, are directed at female applicants.

The mentioned measures seem to work as the share of women in management positions increased in 2021/2022 and 2022/2023.

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 the design of 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 customers and suppliers to implement ongoing improvements.

Security and health are an integral part of the entity and the daily work. It is therefore important that all employees are allowed to work in a safe environment by providing safe processes and a high educational standard 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.

As part of the ISO 45001 certification, 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. According to the plan, the next physical workplace assessment will take place in the business year 2024/2025.

There have been no accidents with absence beyond one day's absence in 2022/2023. The total number of work-related accidents has also decreased significantly, standing at 1.9 per million working hours in 2022/2023.

The statistics for sickness absence show a slight increase of 0.1 percentage points compared to 2021/2022 and are thus still below the established maximum of 2.5%.

Stress is one of the most significant risk factors, and we continuously focus on this area, where managers and employees are offered training to prevent and handle stress in the workplace. Therefore, this is an important element in Siemens' pension plan with PFA, which was strengthened in connection with renegotiating the agreement in 2022.

Also, when it comes to the workplaces outside the house, safety is high on the agenda. 'Safety walk and talk' has, among other things, been introduced, meaning that managers regularly inspect and discuss safety issues with the employees.

The low level of sickness absence and the absence of work-related accidents indicate that the efforts made to increase safety and health in the workplace are effective.

Accidents and sickness absence

	2022/2023	2021/2022	2020/2021
Number of accidents with absence per million working hours ¹⁾	0.0	5.8	2.0
Sickness absence as a percentage ²⁾	2.2%	2.1%	1.7%

¹⁾ Number of accidents with absence exceeding one day measured by reference to the total number of prescribed working hours.

²⁾ Number of hours absent owing to own or child's illness as a percentage of the total number of prescribed working hours.

Health

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

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

Furthermore, all salaried employees are covered by schemes under which they can be treated for work-related muscle and joint injury by a chiropractor, physiotherapist, reflexologist, or masseur. The scheme also includes free online medical care.

The sports club Siemens@ctive provides employees with various health activities such as running, cycling, fitness, and yoga. Siemens also fields several teams for the annual DHL Stafet (relay race) in Copenhagen and Aarhus.

Again, this year, it was furthermore decided to offer all employees influenza vaccine free of charge.

Corporate social responsibility

Competence development

Striving to be an attractive workplace, Siemens prioritizes ongoing training of its employees. Staff development ("growth mindset") as well as the employees' possibility of making decisions ("empowered people") - are therefore important elements in the Group's strategy, where they account for two out of four strategic pillars.

Employee development is supported by regular conversations between employees and managers. These Growth Talks are a structured and regular dialogue between managers and employees focusing on obtaining results, development feedback, and learning, where it is possible to give and receive feedback, agree on tasks and expectations, and discuss the need for personal development, training, etc.

The scope of online training is one of the KPIs in the Group's sustainability strategy, which is also incorporated in Siemens A/S' regular ESG reporting. The number of registered online education hours totaled 7.5 hours per employee per year in 2022/2023, which is a small decline compared to last year and far below the group level, which is 22 hours per employee.

Siemens A/S has its own project manager training program, which is designed to ensure a high quality of the Company's projects and thereby minimize the risk of loss. In 2022/2023, eight employees completed the project manager training, which is targeted at Siemens' demand and comprises five modules of two days each.

All projects generating revenue over EUR 2.5 million must be handled by a certified project manager, and project managers are continuously being trained and certified to ensure that the necessary resources and skills are available at all times to handle the various project categories.

On 30 September 2023, Siemens had nine certified project managers and seven commercial project managers. All of them are affiliated with Smart Infrastructure, which primarily runs the project business. Last year, the number of certified project managers was ten, and the number of certified commercial project managers was eight.

Measures planned for the coming business year

As the regular surveys of the development in the employees' workplace satisfaction, including the various accident

statistics, etc., show a satisfactory level, no extraordinary initiatives are planned at company level. Specific initiatives in departments with particular challenges, e.g., the central support functions, continue.

The global employee survey is carried through in November 2023 and April 2024. In addition, a new follow-up tool will be introduced in 2023/2024 for regular employee feedback. The system will be rolled out in Sweden first before the other Nordic countries are included.

At Nordic level, the #NorthStar project will continue, strengthening the joint work on the workplace of the future, diversity, change, and development, as well as recruitment and career development. In addition, a new round of the leadership program L.E.A.P will take place.

Environment and Climate

Siemens' vision in the environmental area is to be a sustainable company with targeted efforts to protect the environment, including environmental considerations in its decision-making. Certified according to ISO 14001, Siemens A/S has thus laid down general environmental impact reduction goals. Key parameters in this connection are the consumption of electricity, heat and water, CO₂ emissions from company cars, and waste volumes where specific targets have been set.

The development in consumption and emissions is included in the quarterly ESG report to assess the possibility of reducing the environmental impact to the broadest extent possible.

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. As the outdoor areas are limited, the possibility of strengthening the biodiversity is very limited. In the canteen, which ISS runs, food waste reduction is highly emphasized.

Siemens A/S' headquarters at Borupvang 9 in Ballerup is certified in accordance with the so-called LEED Gold standard (Leadership in Energy and Environmental Design), which ensures optimum energy utilization and a sound indoor climate.

The trend in the financial ratios of the building

Waste and consumption of electricity, water, and heating ¹⁾

	2022/2023	2021/2022	2020/2021
Total volume of waste in tons ²⁾	61.7	69.5	79.1
– share to be recycled as a percentage (target: 60%)	66%	65%	61%
Consumption of electricity in kWh per m ² (target maximum: 84 kWh/m ²) ²⁾	73.0	74.2	69.2
Consumption of heat in kWh per m ² (target maximum: 80 kWh/m ²) ²⁾	24.3	29.3	54.2
Consumption of water in liters per m ² (target: -5% per year) ²⁾	306.2	257.2	246.6

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

²⁾ The figures for 2021/2022 have been restated due to errors in the reporting, which have now been corrected.

The total volume of waste declined by 11% in 2022/2023, and the share that is recycled increased further to 66%. The share of waste to be deposited is very low and made up only six kilos in 2022/2023.

The consumption of electricity per square meter decreased by 2% and the consumption of heat decreased by 17%, whereas the consumption of water increased by 19%. There is no immediate explanation as to why the consumption of electricity, heat, and water does not go hand in hand, as all three areas are related to the number of employees at the address – a figure that has increased from an average of 40% in 2021/2022 to 45% in 2022/2023. Therefore, an analysis of the reason for the increased water consumption has been initiated.

The consumption of heat in 2020/2021 was affected by the extensive shutdown, which took place in the period from November 2020 to March/April 2021, where the heat exchanger was stopped to minimize the risk of spreading infection in the house in 2020/2021.

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

The company cars are a significant source of CO₂ emissions, and as part of the goal to become carbon-neutral, Siemens aims to reduce emissions from company cars significantly. As of 1 January 2022, it has therefore only been possible to lease electric or plug-in hybrid cars as company car, and as of 1

January 2026, it will only be allowed to acquire electric cars so that the fleet will be carbon-neutral in 2030.

The trend in CO₂ emissions from the company cars

CO₂ emissions from company cars

	2021/2022	2020/2021	2019/2020
Emission from vehicles with white license plates, excluding plug-in hybrid vehicles (g/km) ¹⁾	166.4 (159.7)	166.7 (163.3)	166.8 (165.6)
Total emission from company cars, including service cars (tonnes)	1,275	1,297	1,324
Number of electric cars, incl. service cars broken down into electric/plug-in hybrid vehicles	53 / 93	15 / 33	4 / 12

¹⁾ The survey shows emissions from the total portfolio of company cars with white license plates, excl. plug-in hybrid cars in the respective financial years. The actual CO₂ emission is based on a conversion factor for petrol of 2,400 grams CO₂ per liter and for diesel 2,700 grams CO₂ per liter. The parenthesis shows the average emission for vehicles with white license plates in total.

The actual average CO₂ emission from vehicles with white license plates is stagnant and is approx. 166 g/km. Including plug-in hybrid vehicles, average emissions are down just over 2% compared to last year. The reason why the decrease is not more significant, is attributable to the fact that plug-in hybrid cars, in practice emit significantly more than the factory norm indicates, and that the average emissions from plug-in hybrid cars have increased compared to 2021/2022.

Total CO₂ emissions from company cars, including service cars, amounted to 1,275 tonnes in 2022/2023, which is a decrease of 1.7% compared to last year. Service cars accounted for 490 tonnes of CO₂, which is a decrease of 2% compared to the previous year.

The number of pure electric cars is developing significantly and now accounts for 28% of vehicles with white license plates. Plug-in hybrid vehicles account for 47%.

The first steps in the electrification of the service cars have also been taken. As of 30 September 2023, the number of electric service vehicles was four, and the number of plug-in hybrid vehicles was twelve out of a total fleet of service vehicles of 111.

Measures planned for the coming business year

The development in the number of electric vehicles and the average CO₂ emission from plug-in hybrid vehicles are monitored continuously to assess the need to adjust our car policy.

The consumption of electricity, heat, and water in the buildings and the volume of waste are continuously monitored to assess any need for additional measures. Thus, a close analysis of the reason for the increase in water consumption at Borupvang has been initiated.

Corporate social responsibility

Other social measures

Siemens' strategy is based on a fundamental understanding of the Company's position in society, which is about the Company creating value – not only for its shareholders, but for the communities in which the Company operates. There must be a purpose for the Company's activities, which are not only about making money but also contribute 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 activities in the local communities primarily relates to education, where Siemens wants to contribute to increase the interest in science and technology for both genders. Social matters are also supported with an annual donation to the Christmas Seal Fund.

Siemens Fonden

The Siemens Fonden 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 2022/2023, the Foundation donated DKK 307,950 for 11 study projects, each receiving between DKK 10,000 and DKK 30,000. The donations for the study projects help ensure that the students have access to the materials and equipment necessary to perform their analyses and tests.

In addition to the study projects, donations were given to support activities which serve the purpose of increasing the interest in technology, including, among other things, ATV Tech Talks and ATV's technological summit 2023, UNF ScienceCamps and High5Girls hackathon.

Sponsorships

Siemens is a 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 'Science Day' (former 'Girls' Day in Science initiative), whose purpose is to attract more students to the technological study programs within the STEM areas (Science, Technology, Engineering, Mathematics). As part of our support, an annual workshop is held at Siemens where several girls from public schools in the municipality of Ballerup participate in an interesting day focusing on technology, which, among other things, implies



the programming of a Raspberry Pi. Thereby, they experience a bit of what Siemens' technical staff work with on a daily basis.

A few Siemens employees are available for the "Book-an-Expert" initiative, where a primary or secondary school class can book an employee with practical experience to teach a few lessons. In the spring, employees from Engineer the Future visited Siemens in Ballerup to recruit more employees for the initiative, which included a half-hour webcast to the rest of the locations, where a Siemens expert talked about his experiences with the concept.

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

Charity

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



Siemens Fonden provided grants to eleven study projects in 2023

In 2022/2023, Siemens Fonden provided grants to projects at Aarhus University, Aalborg University, The University of Southern Denmark, the Technical University of Denmark, and the IT University of Copenhagen. The picture shows the award ceremony at Aalborg University, where Per Hessellund Lauritsen from the Siemens Foundation's Board of Directors handed over the grants for the two projects at Aalborg University.

The picture shows Per Hessellund Lauritsen, Christian Dam, Lukas Kristensen, Joachim Urbak, Lau Madsen, Lasse Petersen and Tobias Lind.

Photo: Hamilton Delaney Miller

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

In addition to the company donation, employees can choose to donate the value of their company Christmas gift to the Christmas Seal Fund. In 2022/2023, an additional donation of 23,800 was given.

Educational cooperation with the municipality of Ballerup

In 2021, Siemens resumed the adoption class scheme in cooperation with the municipality of Ballerup with a 7th grade school class from Skovvejens School. However, as the class turned out not to be mature enough, it was decided in

the autumn of 2022 to continue the collaboration with 7.C from Måløvvej School. In 2022/2023, this class has worked on the theme 'trains of the future', and in the coming year, they will be working with the theme 'video surveillance'.

In 2022/2023, Siemens has supported other education initiatives in the municipality of Ballerup, such as the establishment of master classes in German and participation in project Edison. In connection with their stay in Germany, the pupils from the master class paid Siemens in Berlin a visit, and later they received an invitation to visit Siemens in Ballerup, where they, among other things, got the chance to hear about the difference between the Danish and the German labor market by one of Siemens' German employees. In German!

Measures planned for the coming business year

Cooperation with Julemærkefonden, Engineer the Future, the Municipality of Ballerup, and more will continue in 2023/2024.

Policy for Data Ethics

Statement regarding section 99b of the Danish Financial Statements Act

The requirement for ethical conduct is rooted in the Siemens AG Group's business principles, as set out in the Siemens Business Conduct Guidelines, and ethics is also one of the six elements of the Group's overall framework for sustainable development (cf. the DEGREE concept).

Siemens A/S' handling of data, including personal data, is subject to the same basic ethical principles that apply to the company's operations, which, among others, mean that we behave, we respect each other, and we inspire confidence and fight all forms of discrimination may it relate to gender, age, ethnicity, sexual orientation, etc.

The guidelines are described in Siemens A/S' data ethics policy, which was last revised on 11 October 2023, however, only with minor changes. The policy shall be reviewed annually.

The below principles apply to the processing of personal data:

- Siemens' use of data must respect the legitimate interests of the individuals and groups to which the data relates, and Siemens' use of data must always have a legitimate and predetermined purpose.
- Siemens' use of data must respect the principle of justice and human dignity and must not be used for purposes of discriminating individuals or groups.
- Siemens collects and processes personal data with the confidentiality required and only if the data is protected against loss, changes, and unauthorized use or publication by means of adequate technical and organizational measures.
- Siemens ensures complete candor on data collection, including the specific purpose of the data, and collects only the data required for realizing the purposes based on which data is collected.
- Siemens is responsible for the data collected and the use thereof. We will immediately inform the managers responsible for data protection in our Company of potential violations of the rules on the processing of personal data.

Siemens A/S' data ethics policy is one of the elements in Integrity Moments, which includes all compliance-dialogue meeting initiatives in the Nordic countries. Moreover, Siemens AG's My Learning World portal offers several courses in data ethics and data security.



Financial statements – Siemens A/S



Income statement

Financial statements 1 October – 30 September

DKK'000	Note	2022/2023	2021/2022
Revenue	2	1,930,991	2,097,771
Production costs		-1,621,416	-1,765,011
Gross profit/loss		309,575	332,760
Selling costs		-266,655	-261,349
Administrative expenses		-38,743	-24,468
Profit before other operating income		4,177	46,943
Other operating expenses	3	-2	0
Other operating income	4	35,047	32,269
Profit/loss before net financials		39,222	79,212
Financial income	5	4,206	167
Financial expenses	6	-1,170	-956
Profit from ordinary activities		42,258	78,423
Tax on profit from ordinary activities	7	-11,797	-19,859
Profit/loss for the year from continuing operations		30,461	58,564
Profit/loss after tax from discontinued operations	8	34,870	0
Profit/loss for the year		65,331	58,564

Balance sheet

Financial statements 1 October – 30 September			
DKK'000	Note	2022/2023	2021/2022
Assets			
Non-current assets			
Intangible assets			
Goodwill	9	160	240
Total intangible assets		160	240
Property, plant, and equipment			
Land and buildings	10	990	2,182
Leasehold improvements		5,392	9,559
Plant and machinery		1,674	1,895
Total property, plant, and equipment		8,056	13,636
Total non-current assets		8,216	13,876
Current assets			
Inventories		13,133	25,922
Receivables			
Trade receivables	11	458,854	461,429
Receivables from group entities		0	1,345
Joint taxation contribution receivable	12	19,787	13,235
Construction contracts, net	13	68,842	59,846
Deferred tax asset	14	17,993	7,322
Corporation tax receivable		0	0
Other receivables		15,330	11,262
Prepayments	15	5,823	6,776
Total receivables		586,629	561,215
Cash at bank and in hand		1,581	20
Assets relating to discontinued operations	8	85,027	0
Total current assets		686,370	587,157
Total assets		694,586	601,033

Financial statements 1 October – 30 September

DKK'000	Note	2022/2023	2021/2022
Equity and liabilities			
Equity			
Share capital		151,000	151,000
Retained earnings		0	28,222
Proposed dividend		93,553	58,000
Total equity		244,553	237,222
Provisions			
Warranty commitments	16	39,330	37,862
Other provisions	17	19,228	16,673
Total provisions		58,558	54,535
Liabilities other than provisions			
Current liabilities other than provisions			
Prepayments received from customers		61,016	57,164
Trade payables		70,963	65,002
Payables to group entities		8,744	9,866
Financial debt to group entities		57,759	19,943
Corporation tax payable		33,830	25,261
Other payables		150,248	126,190
Prepayments	18	6,507	5,850
Total current liabilities other than provisions		389,067	309,276
Liabilities relating to discontinued operations	8	2,408	0
Total liabilities		450,033	309,276
Total equity and liabilities		694,586	601,033
Contingent liabilities	19		
Staff costs	22		
Fees paid to auditor appointed at the annual general meeting	23		
Distribution of profit/loss	24		
Related parties and related party transactions.	25		
Pending legal actions	26		

Statement of changes in equity

Financial statements 1 October – 30 September

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 30/09/2021	151,000	27,658	45,000	223,658
Distributed dividend	0	0	-45,000	-45,000
Profit/loss for the year	0	564	58,000	58,564
Equity at 30/09/2022	151,000	28,222	58,000	237,222
Distributed dividend	0	0	-58,000	-58,000
Profit/loss for the year	0	-28,222	93,553	65,331
Equity at 30/09/2023	151,000	0	93,553	244,553

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	2022/2023	2021/2022
Revenue		1,930,991	2,097,771
Costs and other operating income		-1,891,770	-2,018,559
Adjustments	20	10,875	8,339
Cash generated from operating activities before changes in working capital		50,096	87,551
Changes in working capital	21	-44,636	-95,838
Financial income and expenses, net		3,037	-789
Corporation tax paid and prior-year adjustments		14,380	57,296
Cash flows from operating activities		22,877	48,220
Acquisition of property, plant, and equipment		-1,177	-3,899
Disposal of property, plant, and equipment		45	0
Cash flows from investing activities		-1,132	-3,899
Changes in financial liabilities to group entities		37,816	699
Distributed dividends		-58,000	-45,000
Cash flows from financing activities		-20,184	-44,301
Cash flows from operating, investing, and financing activities for the year		1,561	20
Cash and cash equivalents on 1 October		20	0
Cash and cash equivalents on 30 September		1,581	20

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 in accordance with 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 preparing 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 instalments, if any, and plus or minus the accumulated amortization of the difference between the cost and the nominal amount.

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

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

Foreign currency translation

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

Receivables and payables denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses on projects are recognized in the income statement under 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 in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognized in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognized in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

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

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

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

The Company's customer contracts are divided into individually identifiable performance obligations, 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 individually identifiable performance obligation.

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

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

When selling commercial and finished goods, revenue is recognized when the customer controls 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 simultaneously.

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

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

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

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

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

Production costs

Production costs include depreciation, 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 expenses related to administrative staff, office expenses, 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 items of a secondary nature relative to the Company's main objectives, including losses on the sale of fixed assets and activities.

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, 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 in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities.

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

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

Balance sheet

Intangible assets

Goodwill

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

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

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

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

Property, plant, and equipment

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

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

Borrowing costs are not recognized in the cost.

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

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

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

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

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

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

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

Leases

Leases 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 term of the lease.

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

Financial statements 1 October – 30 September

Impairment of assets

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

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

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

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

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

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

Receivables

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

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 level of completion at the balance sheet date and the expected, aggregate income from the individual construction contracts.

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

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

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

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Proposed dividends that are expected to be paid for the year are recognized as a liability on the date they are adopted and are 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 in respect of 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.

Notes

Financial statements 1 October – 30 September

Corporation tax and deferred tax

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

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

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

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

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

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

Liabilities other than provisions

Financial liabilities are recognized at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method.

Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

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

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Presentation of discontinued operations

Discontinued operations comprise a significant 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 in accordance with a formal plan. Discontinued operations also include entities classified as held for sale concerning the acquisition.

The profit/loss of discontinued operations after tax, value adjustments of related assets and liabilities after tax, 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 in respect of 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.

Financial statements 1 October – 30 September

Cash flow statement

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

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 and adjusted for non-cash operating items, changes in working capital, paid net financials and extraordinary items, and paid corporation 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, and equipment, receivables from group entities, 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, payables to group entities, and the raising and repayment of mortgage debt, other long-term liabilities, and short-term bank debt.

Cash at bank and in hand

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

Financial statements 1 October – 30 September

DKK'000	2022/2023	2021/2022
2 – Revenue		
<i>Geographic split</i>		
Sale of goods, national	2,003,573	1,806,727
Sale of goods, international	218,370	291,044
Transferred to profit/loss after tax from discontinued operations	-290,952	0
Total revenue	1,930,991	2,097,771
<i>Segment information</i>		
Digital Industries	1,304,306	1,197,118
Smart Infrastructure	917,637	900,653
Transferred to profit/loss after tax from discontinued operations	-290,952	0
Total revenue	1,930,991	2,097,771
3 – Other operating expenses		
Loss on disposal of fixed assets	2	0
Total other operating expenses	2	0
4 – Other operating income		
Rental income	35,047	32,269
Total other operating income	35,047	32,269
5 – Financial income		
Interest receivable, other group entities	1,137	0
Other interest income	3,069	167
Total financial income	4,206	167
6 – Financial expenses		
Interest payable, other group entities	508	422
Guarantee commission	586	465
Other interest expenses and warranty commitments	76	69
Total financial expenses	1,170	956
7 – Tax on profit/loss from ordinary activities		
Tax for the year	11,797	19,859
<i>Specified as follows:</i>		
Tax on the taxable income for the year	22,332	15,682
Prior year adjustment	246	-245
Adjustment of deferred tax	-10,781	4,422
Total tax for the year	11,797	19,859

Financial statements 1 October – 30 September

8 – Discontinued operations

As of 1 October 2023, Siemens A/S has demerged its activities in the motor division to the company Innomotics A/S. Innomotics GmbH, C/O Siemens AG, Munich, Germany is the wholly owner of Innomotics A/S.

The profit/loss after tax from the motor division is presented as a separate line item in the income statement as "Profit/loss after tax from discontinued operations". It totals DKK 34,870 thousand for 2022/2023.

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

DKK'000	2022/2023
Revenue	290,952
Production costs	-238,152
Gross profit/loss	52,800
Selling costs	-16,349
Administrative expenses	-1,581
<i>Profit/loss before net financials</i>	34,870
Financial income	0
Financial expenses	0
Profit from ordinary activities	34,870
Tax on profit from ordinary activities	0
Profit/loss for the year	34,870
Assets and liabilities relating to discontinued operations	
Assets relating to discontinued operations	
Inventories	10,023
Trade receivables	74,391
Contract work in progress, net	598
Prepayments	15
Total assets relating to discontinued operations	85,027
Liabilities relating to discontinued operations	
Payables to group entities	144
Other provisions	17
Trade payables	67
Other payables	2,180
Total liabilities relating to discontinued operations	2,408
Net assets relating to discontinued operations	82,619

Notes

Financial statements 1 October – 30 September

DKK'000	Goodwill
9 – Intangible assets	
Cost on 1 October 2022	129,998
Disposals for the year	0
Cost on 30 September 2023	129,998
Amortization on 1 October 2022	-129,758
Amortization for the year	-80
Disposals for the year	0
Amortisation at 30 September 2023	-129,838
Carrying amount on 30 September 2022	240
Carrying amount on 30 September 2023	160
Amortized over	Max. 15 years

DKK'000	Land and buildings	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
10 – Property, plant, and equipment				
Cost on 1 October 2022	28,151	40,523	32,931	101,605
Additions for the year	0	590	587	1,177
Disposals for the year	0	-886	-647	-1,533
Reclassification	0	0	0	0
Cost on 30 September 2023	28,151	40,227	32,871	101,249
Depreciation at 01 October 2022	-25,969	-30,964	-31,036	-87,969
Depreciation for the year	-1,191	-4,714	-807	-6,712
Disposals for the year	0	843	645	1,488
Depreciation on 30 September 2023	-27,160	-34,835	-31,198	-93,193
Carrying amount on 30 September 2022	2,182	9,559	1,895	13,636
Carrying amount on 30 September 2023	991	5,392	1,673	8,056
Depreciated over	25-50 years	Lease term	3-10 years	

11 – Receivables

Of total receivables, long-term borrowing totals DKK 0 thousand (2021/22: DKK 0 thousand)

DKK'000	2022/2023	2021/2022
12 – Joint taxation balance		
Tax charge receivable from intra-group entities	23,343	13,235
Tax charge receivable from extra-group entities	0	0
Joint taxation balance, total receivable	23,343	13,235
Tax charge payable to intra-group entities	-3,556	0
Tax charge payable to extra-group entities	0	0
Joint taxation balance, total tax charge payable	-3,556	0
Total joint taxation balance, net	19,787	13,235

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DKK'000	2022/2023	2021/2022
13 – Construction contracts, net		
Construction contracts	480,268	514,792
Prepayments received from customers	-471,844	-512,110
Transferred to assets relating to discontinued operations	-598	
Total construction contracts	7,826	2,682
<i>Distributed as follows in the balance sheet:</i>		
Construction contracts, net	68,842	59,846
Prepayments received from customers, net	-61,016	-57,164
Total construction contracts	7,826	2,682
14 – Deferred tax asset		
Deferred tax asset on 1 October	7,322	10,105
Changes in deferred tax for the year	10,671	-2,783
Deferred tax asset on 30 September	17,993	7,322
<i>The deferred tax asset relates to:</i>		
Property, plant, and equipment	6,766	6,916
Current assets	-8,064	-13,149
Provisions and liabilities	19,291	13,555
Deferred tax asset on 30 September	17,993	7,322
15 – Prepayments		
Prepayments comprise costs incurred concerning subsequent financial years.		
16 – Provisions for warranty commitments		
Warranty commitments on 1 October	37,862	35,610
Used during the year	-1,197	-2,001
Release of unused warranty commitments	-4,954	-3,741
Provision for the year	7,619	7,994
Warranty commitments on 30 September	39,330	37,862
<i>Expected maturities for warranty commitments:</i>		
0-1 years	6,108	5,301
1-5 years	22,373	23,701
> 5 years	10,849	8,860
Warranty commitments on 30 September	39,330	37,862
17 – Other provisions		
Other provisions on 1 October	16,673	17,280
Used during the year	-7,602	-5,256
Release of unused warranty commitments	-5,328	-7,685
Provision for the year	15,502	12,334
Transferred to liabilities relating to discontinued operations	-17	0
Other provisions on 30 September	19,228	16,673
<i>Expected maturities for other provisions:</i>		
0-1 years	9,295	7,813
1-5 years	9,725	8,517
> 5 years	208	343
Other provisions on 30 September	19,228	16,673
18 – Prepayments		
Deferred income comprises payments received concerning income in subsequent years.		

Notes

Financial statements 1 October – 30 September

DKK'000	2022/2023	2021/2022
19 – Contingent liabilities		
Performance bonds vis-à-vis third party	101,255	106,728
Hereof guaranteed by the consolidated entity	4,157	7,549
Rent obligations	30,150	56,127
Other lease commitments	80,665	23,482
Liability, tax assessment	67,980	67,980

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

The split-off of Gas & Power was carried out as a tax-exempt split-off. The Danish tax authorities assess that the split-off is taxable at an amount of DKK 68 million. Siemens has filed a complaint against the Danish tax authorities' assessment with the National Tax Tribunal. Management assesses that the Company most likely will win the complaint. Thus, The financial statements are based on this assessment, and no liability for a tax payment was recognized on 30 September 2023.

20 – Cash flow statement – adjustments		
Amortization	6,794	6,693
Loss on disposal of fixed assets	2	0
Change in warranty provisions	1,468	2,253
Change in other provisions	2,556	-607
Adjustments relating to discontinued operations	55	0
Cash flow statement – total adjustment	10,875	8,339
21 – Changes in working capital		
Changes in inventories	12,790	-4,566
Changes in receivables	-8,194	-93,883
Changes in trade payables, etc.	33,404	2,611
Adjustments relating to discontinued operations	-82,636	0
Total changes in working capital	-44,636	-95,838
22 – Staff costs		
Remuneration of the Company's Supervisory Board	15	30
Remuneration of the Company's Executive Board	8,592	9,060
Wages and salaries, total	388,701	316,362
Pensions	35,222	34,708
Other social security costs	5,500	5,097
Total staff costs	438,030	365,257

The incentive program for the Executive Board comprises 7,231 shares allotted at the balance sheet date for exercise within the coming four years. In the financial year 2022/2023, costs of DKK 975 thousand were expensed for the incentive program for the Executive Board.

For additional information on the incentive program, please refer to the section "incentive programmes" on page 12.

Average number of employees	495	480
Total average number of employees	495	480
23 – Fees paid to auditor appointed at the annual general meeting		
Total fee	575	474
Total fees	575	474
<i>Specified as follows:</i>		
Fee for statutory audit	552	453
Fee for non-audit services	23	21
Total fees	575	474

Notes without reference

Financial statements 1 October – 30 September

DKK'000	2022/2023	2021/2022
24 – Distribution of profit/loss		
Proposed distribution of profit/loss		
Proposed dividend	93,553	58,000
Retained earnings	-28,222	564
Profit/loss for the year after tax	65,331	58,564

25 – 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 company is Siemens AG, Werner-von-Siemens-Str. 1, D-80333 Munich, Germany. The consolidated financial statements of Siemens AG may be obtained from the company.

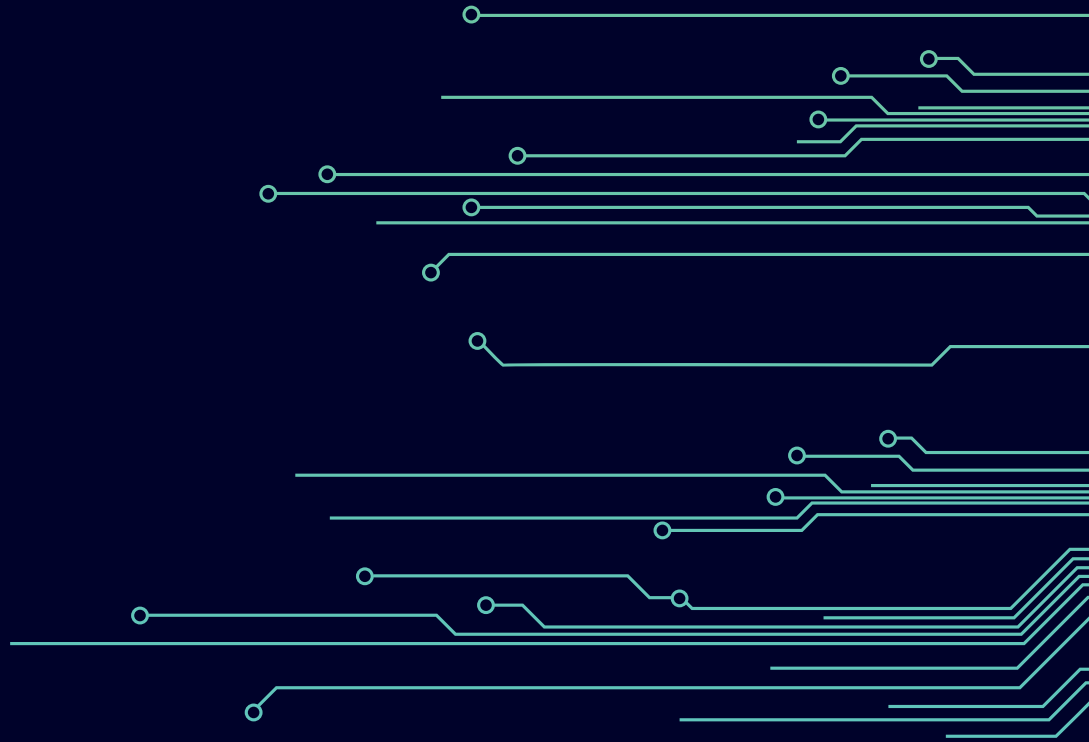
DKK'000	2022/2023	2021/2022
Related party transactions		
Acquisition of goods and services from related parties	1,503,048	1,429,096
Sale of goods and services to related parties	111,597	135,881

Apart from 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.

26 – Pending legal actions

The Company is involved in disputes. Although the final outcome of these disputes cannot be predicted, it is estimated that, in the management's view, the outcome of these disputes could not have an effect on the company's result or financial position.



Siemens A/S
Borupvang 9
2750 Ballerup
Denmark
+45 44 77 44 77
siemens.dk

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