



# **Siemens AS**

## Annual report 2021

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Translation only

**SIEMENS**









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# Annual Report

## Social responsibility and sustainability

Sustainability is the core of our business activities and our expertise. Ideas alone have little value. In the words of our founder, Werner von Siemens: "An innovation's importance lies in its practical implementation". Through innovative solutions, Siemens contributes to solving the major challenges the world is facing, while at the same time ensuring sustainability, long-term profitability and value creation.

Through the Paris Agreement, Green Deal and Fit for 55, Norway has committed to reducing its greenhouse gas emissions by 55% by 2030. The Federation of Norwegian Industries and DNV have developed reports describing the energy transition outlook for Norway towards 2050. These reports show that we as a nation will not meet the goals set unless we make significant investments in climate-friendly solutions. Siemens is a high-competence, well-positioned company which successfully delivers solutions that close the climate gap using forward-looking technology.

The Siemens Group aims to become the world's first major industrial company with a net zero carbon footprint by 2030. We will achieve this by developing pioneering technology as well as investing in energy efficiency projects, establishing infrastructure solutions for electrical transport, distributed energy systems and using renewable energy. In 2020, the Siemens Group contributed to a reduction of 150 million tons of CO<sub>2</sub> for our customers.

## Market

The market is characterized by two main elements - a greater focus on green sustainable solutions and uncertainty regarding the coronavirus and the oil price.

The Corona Pandemic has brought investment uncertainty with regards to new projects. So far, Siemens AS has not been seriously affected by the pandemic. However, the market next year is still viewed as uncertain with regard to new projects in affected industries. The fluctuating oil price has also challenged the parts of our business which deliver directly or indirectly to the oil and gas industry. Our customers are committed to green sustainable solutions. Siemens technology and solutions within electrification, automation and digitalization help our customers achieve their goals.

Industry requires energy-efficient and smart digital solutions to maintain and improve international competitiveness. The electrification of society continues. Norway is a leader in new electric vehicle sales, and in the future there will be a great need for electrification of the entire transport sector, inclu-

ding trucks, buses and shipping. This requires major improvements in electrical infrastructure in terms of capacity, but also in terms of more advanced control and balancing systems. There is an increasing need for both energy optimization and optimization of the production itself in buildings and industrial areas.

Investments in the national and regional electricity grid in Norway are made to secure power supply and make the supply more robust, with variable power production such as wind and solar becoming increasingly important, against a background of changing consumption patterns with electric vehicle charging and induction hobs requiring a lot of power.

The focus on green and sustainable battery production in Norway is another example of a trend that creates a new and exciting market. Norway is well positioned to produce sustainable battery cells with a low CO<sub>2</sub> footprint through renewable energy. Siemens AS is an important supplier of technology solutions to this market. Norwegian solutions within aquaculture are also an emerging export market that provides opportunities for growth and where our technology is attractive.

Digitalization requires ever more expertise in OT (operational technology) and IT (information technology). The industry is building digital twins and connecting machines, production lines and energy supply to various cloud platforms, and exchanges data via the Internet. Security is paramount when introducing multiple digital solutions and multiple connections. Siemens is at the forefront of cyber security, which enables new digital solutions to be introduced.

The product and service portfolios in Digital Industries, Smart Infrastructure and Large Drives Applications fit very well into this market and put Siemens in a good position to create secure applications that result in competitive, valuable and sustainable solutions with longevity.

## Technology development

The Siemens Group is a global technology company that develops sustainable products and solutions at the forefront of technological development. Automation, digitalization and electrification are used to create more efficient and climate-neutral solutions, for example through energy-efficient building automation, optimization of industrial processes and the management of national and regional power grids. Technical platforms and ecosystems are essential parts of this technological development.

The technology is, to a large extent, developed at Siemens' product centers around the world and developed further locally in order to provide customized solutions. Siemens AS has great expertise within the entire value chain, from consulting, engineering and delivery commissioning to service. New, innovative solutions are constantly developed locally as a result of this close customer contact and based on the global technology available to us in Siemens.

Siemens AG has its own accelerator company, Next47, which invests in new companies during the early stages of development in order to boost the pace of innovation for Siemens. The company has a long tradition collaborating with start-ups and works closely with various research environments and major universities globally.

As part of a global company, the activities in Norway gain expertise and innovative solutions from this network. In global terms, the Siemens Group invests an estimated NOK 49 billion annually in research and development. This includes close to 40,000 employees globally.

### Organization

The Siemens Group adapts its business structure and strategies in line with developments in society. This makes sure we are optimally equipped to meet the needs of the market and the customer. Siemens AS consists of Digital Industries, Smart Infrastructure and Large Drives Application. On 01.01.2021, Nils Klippenberg was appointed as the new CEO.

Siemens in Norway has been affected by the Corona Pandemic. Infection control measures have been implemented based on government recommendations and regulations. This has led to a considerable number of employees working from home where possible and a specific focus on infection control for site based employees. Our employees have demonstrated a high level of understanding and commitment to maintaining business operations while enduring more difficult everyday lives. Many employees have appreciated the increased flexibility working from home has created and the productivity has remained high. Agreements have been entered into with employees offering the opportunity to work from home one to three days per week in order to maintain this flexibility.

### Siemens AS Employees

One of our strategic ambitions within the Siemens Group is to develop a stronger culture of innovation and change. Our culture shall be based on ownership as well as equality, respect and mutual trust. This is essential for a positive and innovative working environment. We have zero tolerance for discrimination and bullying.

The expertise of our employees and managers is vital for the successful achievement of our goals and business strategies. We facilitate the continuous development of our employees and at the same time bring in new competence as required in line with increased demand. Digitalization of our work tools is an important factor in realizing our business strategy, hence there is a strong focus on building expertise within IT, cyber security and digitalization.

Siemens AS had 492 employees, in addition to 4 apprentices in vocational training at the end of the year. Among these, there were 29 temporary employees, which equates to a total of 5.9% - 24.1% of whom were female. Siemens AS has 1.4% employees in part-time positions (7 employees) 86% of whom are female (6 employees). There have been no cases of involuntary part-time working. An average of 19.4 weeks of parental leave for women and 10 weeks for men were taken in 2021.

In principle, Siemens AS only offers full-time positions. However, we are open to offering part-time work to employees who, for social, health or other compelling reasons, apply for temporary or permanently reduced positions. We also have some employees working less than full-time, but these are positions of a temporary nature, such as employees with part-time pension terms. The average age at Siemens AS is 46 years, both among permanent employees and employees in total. This applies to both male and female employees.

The average salary of female employees is 13% lower than that of male employees across all position levels and job families. This can be partly explained by the difference in age and experience, but an important reason is that there are few women in senior management positions. Siemens AS aims to increase the number of women in general, and in management, project management and key positions in particular. As in most technical industries, the gender distribution is still uneven, with a 20% proportion of female employees in 2021. Any gender-specific pay differences are continually reviewed and evened out in collaboration with the unions. The company closely monitors developments in wages and gender equity. A separate and more detailed gender equity report has been published on the company's website.

Siemens AS is working to maintain a working environment characterized by fairness, equality, respect and mutual trust. The company emphasizes ethical conduct and respect for basic human rights. All our employees shall be ensured a working environment that is free from discrimination. We work to ensure equal opportunities and equal treatment regardless of skin color, race, nationality, social background, functional ability, co-habitation choices, political and religious views, gender or age. We will not tolerate unacceptable



treatment, including physical abuse, violence, sexual harassment or discrimination. We prohibit conduct that involves gestures, language and physical contact that are of a coercive, threatening, sexual, offensive or exploitative nature.

### Environmental Protection, Health Management and Safety (EHS)

Siemens AS has a strong focus on a zero injury philosophy in order to prevent accidents and to ensure that no work-related injuries, illnesses or accidents are ignored. We work continuously to increase focus on EHS issues among management and staff.

The company's injury ratio (number of lost-time injuries per million hours worked) amounted to 1.96% in 2021. Sickness absence in the fiscal year 2021 was 3%.

Siemens has no direct pollution of the air, water or soil, and generally uses very few polluting chemicals. Siemens AS is a member of Renas and Batteriretur, which handle returned electrical and electronic items.

### Profit development

Siemens AS was established on 1 March 2020 and the 2020 fiscal year in Siemens AS was consequently only seven months. The fiscal year 2021 was the first year of full operation and profit development has been excellent. Siemens AS signed contracts worth NOK 2,103 million during the fiscal year. We finished the year with an order reserve of NOK 735 million. Total sales revenue amounted to NOK 1,919 million and operating profit in 2021 was NOK 125 million. The profit after tax amounted to NOK 103.7 million.

Digital Industries, Large Drives Applications and Smart Infrastructure business units achieved an 11% increase in contracts signed during the 2021 fiscal year compared to 2020. We anticipate further growth in fiscal year 2022. The profit after

tax for 2021 was due to good markets, the great efforts of our employees through a demanding corona period and a successful start to restructuring in building technology. A positive result is also expected for the business for 2022.

Siemens is well positioned in a market that requires sustainable solutions within electrification, automation and digitalization with skilled employees who deliver value for our customers. Our customers will be making major investments in all market segments in the future. Profit developments are therefore expected to be in line with market developments.

### Cash flow

Net cash flow from operations in 2021 amounted to NOK 154 million.

Siemens AS is part of a Group cash pooling system. The company's available funds in this system are not defined as cash, but as current receivables in the Group cash pooling system. In practice, however, these funds can be regarded as deposits.

### Continued operations

The Board of Directors confirms that the basis for continued operations is present, cf. Section 3-3a of the Norwegian Accounting Act. The annual financial statements are presented on basis of the going concern assumption and, in the view of the Board of Directors, present a true and fair view of the company's development and results for the financial year and its financial position as at 30.09.2021.

### Allocation of the result for the year

In fiscal year 2021, Siemens achieved a result of NOK 103.7 million after tax.

Transferred to other equity	NOK 103.7 million
Result for the year	NOK 103.7 million
Dividend paid	0

Oslo, 17.12.2021

### The Board of Siemens AS



Per Mikael Gustaf Leksell  
Chairman



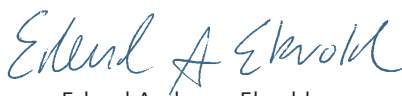
Jürgen Lippert  
Board Member



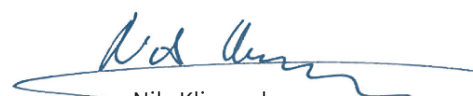
Kjell Olav Strømsli  
Board Member



Børge Tjelta  
Board Member



Erlend Audsønn Ekvold  
Board Member



Nils Klippenberg  
Board Member

# Income statement

For 2021: 01.10. - 30.09.

For 2020: 01.03. - 30.09.

(Amounts in NOK 1,000)	Note	2021	2020
Sales revenue	2	1,919,357	1,086,159
Other operating income	3	38,671	16,289
<b>Total operating income</b>		<b>1,958,028</b>	<b>1,102,447</b>
Cost of sales	11	1,024,144	653,470
Payroll expenses	4	573,157	315,538
Depreciation and amortization	8, 9, 25	34,086	12,133
Bad debts	12	137	4,515
Other operating expenses	5	201,796	150,562
<b>Total operating expenses</b>		<b>1,833,320</b>	<b>1,136,218</b>
<b>Operating profit</b>		<b>124,708</b>	<b>-33,772</b>
Interest income and other financial income		20,030	24,855
Net interest expenses and other financial expenses		-11,596	-5,694
<b>Net interest expenses and other financial expenses</b>	6	<b>8,434</b>	<b>19,161</b>
<b>Profit before tax</b>		<b>133,142</b>	<b>-14,611</b>
Income tax	7	-29,444	2,935
<b>Net profit for the year</b>		<b>103,698</b>	<b>-11,676</b>
<i>Items that cannot be reclassified through the income statements of later periods</i>			
Actuarial losses on defined benefit plans	16	5,041	-2,310
Tax related to items that will not be reclassified		-1,109	508
<i>Items that may be reclassified through the income statements of later periods</i>			
Change in the fair value of hedging instruments relating to cash flow hedges		2,233	-770
Tax related to items that can be reclassified		-491	169
<b>Total other revenue and expenses</b>		<b>5,674</b>	<b>-2,402</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	15	<b>109,372</b>	<b>-14,078</b>

# Balance sheet

## ASSETS as at 30.09.

(Amounts in NOK 1,000)	Note	2021	2020
<b>Fixed assets</b>			
Goodwill	8	319,834	319,834
<b>Total intangible assets</b>		<b>319,834</b>	<b>319,834</b>
Land, buildings and other real estate	9	9,339	13,386
Right-of-use assets	25	99,328	98,650
Plant and machinery	9	1,080	1,593
Fixtures and fittings, equipment and tools	9	2,416	2,490
<b>Total tangible assets</b>		<b>112,163</b>	<b>116,119</b>
Deferred tax assets	7	18,603	37,315
Other non-current receivables	10, 20	4,386	5,015
Long-term subleasing receivables	20, 25	82,988	116,451
<b>Total financial fixed assets</b>		<b>105,977</b>	<b>158,781</b>
<b>Total fixed assets</b>		<b>537,973</b>	<b>594,734</b>
<b>Current assets</b>			
Inventories	11	18,591	20,896
Accounts receivable	12, 20	322,779	267,085
Other current receivables from Group companies		0	513
Other current receivables	14, 20	121,482	169,448
Short-term receivables from leases	20, 25	25,646	21,686
<b>Total receivables</b>		<b>469,907</b>	<b>458,733</b>
<b>Total current assets</b>		<b>488,498</b>	<b>479,628</b>
<b>TOTAL ASSETS</b>		<b>1,026,471</b>	<b>1,074,362</b>



**EQUITY AND LIABILITIES as at 30.09.**

(Amounts in NOK 1,000)	Note	2021	2020
<b>Equity</b>			
Share capital		40,951	40,951
Share premium reserve		8,769	8,769
<b>Total paid-in equity</b>		<b>49,720</b>	<b>49,720</b>
Other equity		95,296	-14,077
<b>Total retained earnings</b>		<b>95,296</b>	<b>-14,077</b>
<b>Total equity</b>	15	<b>145,016</b>	<b>35,643</b>
<b>Liabilities</b>			
Pension liabilities	16	48,692	57,270
<b>Total provisions for liabilities</b>		<b>48,692</b>	<b>57,270</b>
Other non-current liabilities	17, 20	24,174	23,639
Long-term lease obligations	25	151,103	193,896
<b>Total other non-current liabilities</b>		<b>175,277</b>	<b>217,535</b>
Accounts payable	20	90,342	127,795
Tax payable		12,333	0
Public duties payable		113,993	59,956
Advances from customers	20	11,095	10,246
Guarantee provisions		10,970	11,329
Current liabilities to Group companies	13, 20	212,908	344,815
Other current liabilities	18, 20	153,420	160,582
Current lease liability	25	52,425	49,191
<b>Total current liabilities</b>		<b>657,486</b>	<b>763,914</b>
<b>Total liabilities</b>		<b>881,455</b>	<b>1,038,719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,026,471</b>	<b>1,074,362</b>

Oslo, 17.12.2021

**The Board of Siemens AS**


Per Mikael Gustaf Leksell  
Chairman



Jürgen Lippert  
Board Member



Kjell Olav Strømsli  
Board Member



Børge Tjelta  
Board Member



Erlend Audsønn Ekvold  
Board Member



Nils Klippenberg  
Board Member

# Cash flow statement

For 2021: 01.10. - 30.09.

For 2020: 01.03. - 30.09.

(Amounts in NOK 1,000)	Note	2021	2020
<b>Cash flow from operating activities</b>			
Profit before tax		133,142	-14,611
Depreciation and amortization	8, 9	34,086	12,133
Loss/gain on leases	25	-17,989	-9,137
Changes in inventory, accounts receivable and accounts payable	11, 12	-90,842	121,846
Differences between expensed pensions and contributions/disbursements in pension schemes	16	-3,536	406
Changes in other accruals	8, 13, 17	99,242	-26,918
<b>Net cash flow from operating activities</b>		<b>154,103</b>	<b>83,719</b>
<b>Cash flow from investing activities</b>			
Acquisitions of tangible assets	9	-642	0
Proceeds from repayment of lease obligations	25	25,084	15,315
<b>Net cash flow from investing activities</b>		<b>24,442</b>	<b>15,315</b>
<b>Net cash flow from financing activities</b>			
Change in intra-Group balances in the Group cash pooling system	13, 20	-131,907	344,815
Change in share capital	15	0	30
Repayment of lease obligations	25	-46,638	-39,996
Payment on demerger		0	-403,053
<b>Net cash flow from financing activities</b>		<b>178,545</b>	<b>-98,204</b>
<b>Cash and cash equivalents at 01.10.</b>		<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at 30.09.</b>		<b>0</b>	<b>0</b>

# Notes

## Note 1 – Accounting principles

### General

The company prepares the annual accounts in accordance with Section 3-9 of the Norwegian Accounting Act and the Regulation on simplified application of International Financial Reporting Standards (IFRS) established by the Ministry of Finance on 03.11.2014. This in principle entails that recognition and measurement follow International Financial Reporting Standards (IFRS) and the presentation and disclosures in the notes are in accordance with the Norwegian Accounting Act and accounting standards and practices which are generally accepted in Norway. The annual accounts consist of statement of comprehensive income, balance sheet, cash flow statement and disclosures in the notes. The annual report and financial statements consist of the report from the Board of Directors and auditor's report. The company uses a non-calendar financial year that runs to 30.09. All figures are stated in thousands of NOK, unless otherwise specified.

### Simplified IFRS

The company has not applied any simplifications from the recognition and valuation rules in IFRS.

### Basis for preparation of the annual accounts

The company accounts have been prepared under the historical cost convention, with the exception of the following accounting items: Financial instruments at fair value through the income statement, financial instruments available for sale that are reported at fair value. Dividends are recorded in the period when they are adopted.

### Currencies

Foreign currency transactions are translated using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated to NOK at the exchange rates on the balance sheet date. Non-monetary items that are recorded at historical exchange rates expressed in foreign currency are translated to NOK using the exchange rate prevailing on the transaction dates. Non-monetary items that are recorded at fair value expressed in foreign currency are translated using the exchange rates determined on the balance sheet date. Exchange rate fluctuations are recognized in the income statement on an ongoing basis and are presented in the accounts as financial income or financial expenses.

### Principles for revenue recognition

#### General

Revenue recognition is based on the fundamental principle that companies must recognize revenue so that the expected remuneration is recognized according to a pattern which reflects the transfer of goods or services to the customer. Sales revenues are disclosed net of value added tax and discounts. Revenue from sale of goods is recognized when the delivery obligations have been fulfilled, i.e. when control of the contracted goods or services has been transferred to the customer. On the sale of services and long-term manufacturing projects, control is transferred over time, and income is recognized in step with deliveries to the customer. See the separate section concerning accounting of long-term manufacturing contracts. Interest income is recognized on the basis of the effective interest method as it is earned.

#### Long-term manufacturing contracts

Siemens has ongoing projects with a duration ranging from a few months to three or four years. Revenues and expenses are recognized through the income statement based on the percentage of completion of the project. This is calculated as the expenses accrued as a percentage of the total estimated expenses. Expenses and profit are estimated on an accruals basis and the percentage of completion is updated for each accounting period, which at Siemens means on a monthly basis. In the event of doubt, a best estimate is used.

The relevant share of the expected profit is recognized through the income statement on an accruals basis using the best estimate principle. The profit for individual projects is estimated each month prior to recognizing the accrued share of the expected profit. For projects that are expected to result in a loss, the entire loss is charged as soon as it is known. Balance sheet items related to manufacturing contracts are presented as gross amounts in the balance sheet. Contract income which has not been billed is shown as contract assets under other receivables.

Expenses in manufacturing contracts that, as at the balance sheet date, are not included in the calculation of the percentage of completion, are carried as an asset in the balance sheet under other receivables. Advance invoicing is calculated as the accrued income in the contract less invoicing. Advance invoicing of contracts is presented as a contract obligation under other current liabilities and is not netted against other receivables.

When they are signed, additional orders that are not deemed to be a separate contract are taken into account in the contract's planned revenue. For projects where there is an obligation to continue working, expenses incurred on unsigned, but probable, additional orders are recognized temporarily as an asset in the balance sheet. If there is significant uncertainty regarding a customer's solvency, costs are recognized as they are accrued and revenue is only recognized when payment has been received.

Provisions are made for guarantee work and other areas of uncertainty. Past experience tells us that for some projects, disagreement with the customer may arise with regard to the interpretation of contracts and additional work. In such cases, claims and counter-claims are made which are usually settled through negotiation, court cases or arbitration. These cases are included in the accounts according to a best estimate.

#### Other contracts

For projects that are not defined as long-term manufacturing contracts, the "completed contract method" is applied to income recognition. Accrued costs are then capitalized as contract assets under other receivables and are recognized together with revenue when the customer gains control of the product or service.



# Notes

## Note 1 – Accounting principles *Continue*

### Service contracts

Service contracts are recognized as the services are provided.

### Borrowing costs

Borrowing costs are recognized as an expense when incurred. Borrowing costs are capitalized to the extent that they are related directly to the production of a fixed asset. Interest expenses accrue during the construction period until the fixed asset is recognized in the balance sheet. Borrowing costs are capitalized until the date on which the fixed asset is ready for use. If the cost price exceeds the fair value of the fixed asset, the value will be written down.

### Classification of balance sheet items

Assets and liabilities relating to the business cycle, and items that fall due for payment within one year of the balance sheet date, are classified as current assets or current liabilities. Current assets and current liabilities are measured at the lower/higher of cost and fair value. The fair value of current assets is defined as the estimated future selling price less the anticipated cost of disposal. Other assets are classified as fixed assets. Fixed assets are valued at cost.

Fixed assets with a limited useful life are depreciated over their expected useful life. Fixed assets are written down to fair value in the event of a reduction in value that is not expected to be temporary. Write-downs are reversed if the reason for the write-down no longer exists.

### Receivables

Accounts receivable are valued at their face value at the balance sheet date less provisions for estimated losses. The company uses the simplified write-down model to calculate expected credit losses over the useful life of accounts receivable, contract benefits and leasing receivables.

### Inventories

Inventories of purchased goods are valued at the lower of average cost or expected net selling price. Obsolete goods are written down to expected future selling price. Raw materials and goods in process, as well as work in progress, are booked at the lower of the complete manufacturing cost or expected net selling price. The manufacturing cost includes direct and indirect costs, including the share of fixed manufacturing costs.

### Use of estimates

On preparing the financial statements the management are required to make judgements, estimates and assumptions when applying the company's accounting principles. Even though the estimates are based on management's best judgement at the relevant time, the actual results may deviate from these estimates and underlying assumptions. Larger estimates are related to the estimation of provisions for risks for orders and projects, allocation of fair values for acquisitions, determining lead times for the possession of tangible assets and intangible assets, as well as recognized provisions, and on determining pension liabilities. The basis for the estimates is described in more detail in these accounting principles and elsewhere in the pertinent notes to the annual accounts.

### Contingent outcomes

Contingent losses that are more than 50% probable and measurable are expensed.

### Forward currency contracts

Siemens AS hedges cash flows from contracts signed in foreign currency as part of its risk management strategy. Forward contracts are measured at fair value on the balance sheet date. The effectiveness of the hedging is monitored continuously and documented in accordance with the rules for hedge accounting. If the requirements for the use of hedge accounting are no longer met, the hedged item and the hedging instrument are measured separately using the relevant accounting rules.

When hedging cash flows (Cash Flow Hedge Accounting) unrealized gains and losses on the hedging instrument are recognized in equity. Deferred tax on the provision is recognized directly in equity. Fair Value Accounting is used for other hedging contracts. Unrealized gains and losses on the hedging instrument are recognized through the income statement on a monthly basis.

### Tangible and intangible fixed assets

Tangible and intangible assets are measured at cost less accumulated depreciation and write-downs. Tangible and intangible assets are assessed at the lower of cost and fair value. Plant and equipment with a useful life of less than three years or a cost price of under NOK 15,000 are expensed in the acquisition year. Costs relating to normal maintenance and repairs are expensed as they arise under operating expenses. The cost of significant improvements to an asset, which are expected to increase future value and profit, are capitalized and depreciated over the anticipated useful life of the asset. Assets are depreciated on a straight line basis over their useful lives, starting from the date on which they were first put into use.

Development costs are capitalized to the extent that a future economic benefit associated with the development of an identifiable intangible asset can be identified and the costs can be measured reliably. Otherwise, such costs are expensed as they are incurred. Capitalized development costs are depreciated on a straight line basis over their useful lives. Research costs are expensed as they are incurred.

### Leases

#### Siemens as lessee

IFRS 16 Leases requires the lessee to recognize lease agreements in the balance sheet so that the value of the right-of-use asset and the corresponding lease obligation are shown in the balance sheet. The lease obligation is measured at the present value of the lease payments, and the right-to-use asset is derived from this calculation. Upon subsequent measurement, the right-to-use asset shall be depreciated, while the lease obligation is reduced by ongoing instalments. Leases that fall under the definition of "low value assets" are not recognized in the balance sheet. For short-term leases where the non-cancellable lease period is less than 12 months, lease expenses are also recognized directly in the income statement.

Several of the company's leases include other services and components, such as communal costs, fuel and taxes. Non-lease components are separated from the lease agreement and recognized as an operating expense in the income statement.

In order for an agreement to fall within the requirements of IFRS 16, the agreement must meet the definition of a lease, including that the assets must be identifiable and the lessee must have the right to control the use of the assets in a given period. Significant agreements in Siemens mainly relate to leases associated with buildings and other real estate and vehicles that will be included in the standard.

Several Siemens leases include options for extension or termination. It is the non-cancellable lease term that forms the basis for the lease obligation. The period covered by the extension or termination option is shown if the extension options are considered reasonably certain to be exercised.

The present value of the lease payments shall be discounted by the lessee's marginal borrowing rate when the implicit interest rate for the lease agreement cannot easily be determined. The method for determining the company's marginal borrowing rates is applied consistently and reflects

1. the borrowing rate for the asset class in question and
2. the length of the lease term

#### **Siemens as sublessor**

For contracts where Siemens is the lessor, each individual lease agreement is classified as either an operating lease or a finance lease. A lease agreement is classified as a finance lease if it substantially transfers all the risks and benefits associated with ownership of an underlying asset. A subleasing agreement is regarded as a finance lease if the asset, or parts thereof, is subleased for the majority of the remaining lease term in the main agreement.

Siemens has several subleasing agreements that are classified as financial subleasing agreements. Upon recognition, a proportion of the right-to-use asset, which is subleased and a subleasing receivable is recognized. Gains and losses upon recognition are presented in the result as other financial income or expenses. The subsequent measurement presents subleasing income in the result as interest income and reduced amortization of the right-to-use assets.

For operating leases, Siemens recognizes lease payments as other operating income.

#### **Pension costs and pension liabilities**

Siemens AS has a defined contribution-based occupational pension scheme (contribution plan) for all employees with more than 10 years to retirement age (67 years). The contribution level is 5% of the pension basis from the first krone to 7.1G and 13 % of the pension basis from 7.1G to 12G. This pension scheme is treated for accounting purposes in accordance with IAS 19R.

Pension liabilities in the defined benefit-based scheme are valued at the present value of future pension liabilities accrued on the balance sheet date. Future pension liabilities are calculated using estimated salaries and retirement dates. The net pension liabilities on under-financed pension schemes are recognized in the balance sheet as a liability.

The introduction of a new defined benefit scheme or an improvement to the current defined benefit scheme entails changes in the pension liabilities. These are expensed on a straight-line basis until the effect of the change has been accrued. The introduction of new plans or changes to current plans with retroactive effect, so that the employees have immediately earned a paid-up policy (or change to a paid-up policy), are recognized immediately in the income statement. Gains or losses in connection with curtailments or the closure of pension plans are recognized in the income statement in the period in which they occur. Actuarial gains or losses are recognized in other income and expenses (Items that cannot be reclassified through profit or loss in later periods).

#### **Employees' options and share programme**

Siemens AG, the parent company of Siemens AS, has issued stock awards to staff in senior management positions at Siemens AS. In addition, all employees may participate in a savings agreement related to the purchase of Siemens AG shares. For every three shares that the employee purchases, Siemens AS will give one share. Both of these option schemes are measured at fair value on the date of issue. The fair value on the date of issue is expensed on a straight-line basis over the duration of the option.

#### **Tax expense**

Taxes consist of tax payable and changes in deferred tax. Tax payable is calculated on the basis of the profit or loss for tax purposes. Changes in deferred tax are calculated on the basis of changes in taxable and tax-deductible temporary differences.

#### **Cash flow statement**

Siemens AS uses the indirect model for presentation of the cash flow statement in accordance with Simplified IFRS for cash flow statements. The indirect model shows gross cash flows from investing and financing activities, while the accounting profit is reconciled with the net cash flow from operating activities. Siemens AS participates in a Group corporate cash pooling system, in which the funds are defined as intra-Group receivables and liabilities.

# Notes

## Note 2 – Sales revenues

(Amounts in NOK 1,000)	2021	2020
Smart Infrastructure	1,148,973	661,939
Digital Industries	539,897	304,607
Large Drives Automation Applications	230,487	119,613
	<b>1,919,357</b>	<b>1,086,159</b>

The majority of the company's sales revenue comes from activities in Norway. In the 2021 financial year, exports amounted to NOK 139.7 million, representing 7% of total revenues.

The largest export markets in the 2021 fiscal year were Sweden, Denmark and Finland.

## Note 3 – Other operating revenue

(Amounts in NOK 1,000)	2021	2020
<b>Other operating income</b>		
Rental income	24,047	16,289
Income from Global Business Service	14,624	0
<b>Total other operating income</b>	<b>38,671</b>	<b>16,289</b>



**Note 4 – Salary expenses, number of employees, remuneration, loans to employees, etc.**

(Amounts in NOK 1,000)	2021	2020
<b>Salary expenses</b>		
Payroll	454,993	259,280
Employer's NICs	68,945	31,632
Net pension costs	32,468	19,255
Other benefits	16,751	5,372
<b>Total salary expenses</b>	<b>573,157</b>	<b>315,538</b>
Average number of employees	478	499

**Information concerning the Board of Directors and general manager****Remuneration**

The three board members who represent the employees in Siemens AS have received NOK 10,000 p.p. in the 2021 financial year. The Chair of the Board did not receive any Director's fees during the period.

The CEO took up his position in Siemens AS on 01.01.2021. His salary during the period from 01.01.2021 to 30.09.2021 amounted to NOK 1,891,889.

Other remuneration subject to reporting requirements amounted to NOK 10,116. No bonus was paid to the CEO during this period.

With regard to the outgoing CEO, an internal Siemens agreement (THOP) was entered into between Siemens AS and Siemens AB Sweden.

An amount of NOK 733,336 was invoiced for this agreement during the period from 01.10.2020 to 31.12.2020.

**Pension entitlements**

The CEO is covered by the pension scheme for senior management at Siemens AS.

As of 1 January 2016, the defined benefit-based pension scheme for active senior managers was replaced by a defined contribution-based pension scheme (cf. Note 17, Pensions). This was continued in the new company after the demerger on 01.03.2020.

The regular contributions in the pension scheme for the CEO from 01.01.2021 to 30.09.2021 amounted to NOK 263,270.

**Stock awards – share-based remuneration**

The gain on stock awards is calculated by comparing the Siemens AG share price with the strike price when the stock awards are exercised. There is a 4 year delay between when the stock awards are granted and when they can be exercised. Exercising these options requires the individual in question to continue to be employed by the company. The CEO did not received stock awards during the period, but holds 4,664 options from previous positions.

**Loans and provision of security**

Neither the Chair of the Board nor the CEO had loans from Siemens AS as at 30 September 2021.

No additional remuneration has been given for special services beyond the normal functions of a manager.

**Information concerning other employees****Loans and provision of security**

Other employees have loans from the company totalling NOK 3.9 million. The loans are repayable over a maximum of 10 years. A standard interest rate is charged on the loans. No particular security has been provided for the loans, other than the issue of a promissory note.

(Amounts in NOK 1,000)	2021	2020
<b>Fees to auditor</b>		
Proposed fees for statutory audit for the year	757	496
Additional fees billed for statutory audit for previous years	0	0
Other certification services	0	0
<b>Total fees to auditor</b>	<b>757</b>	<b>496</b>
(Value added tax is not included in the audit fees.)		

# Notes

## Note 5 – Specification of operating expenses according to type

(Amounts in NOK 1,000)	2021	2020
Shipping and transport expenses	12,893	7,075
Property costs	0	10,870
IT costs	13,251	16,073
Lighting and heating	3,220	1,567
Energy and fuel, etc. relating to production	0	397
Refuse collection, wastewater, cleaning, etc.	2,457	1,711
Rental of machinery, equipment, etc.	15,941	5,108
Equipment, fixtures and fittings (may not be capitalized)	6,229	3,234
Building repairs and maintenance	3,015	2,939
Other repairs and maintenance	867	239
Office expenses	3,690	4,438
Contracted workers	54,717	43,906
Travel and subsistence expenses	16,560	9,529
Sales and advertising expenses	7,169	4,704
Entertainment expenses	361	146
Subscriptions and gifts	2,001	648
Insurance premiums	398	115
Warranty and service expenses *	-284	3,083
Licence and patent costs	2,476	947
Expenses for Global Business Services	10,109	0
Other costs	46,727	33,832
<b>Total operating expenses</b>	<b>201,796</b>	<b>150,562</b>

\* Reversal of Warranty expenses for 2020

Siemens AS presents its income statement based on the content of the revenues and expenses. Operating expenses comprise all operational costs that are not related to projects, payroll expenses and the cost of capital in the form of depreciation. The main elements of other operating expenses have been grouped in the above table.

## Note 6 – Specification of interest items and other financial items

(Amounts in NOK 1,000)	2021	2020
Interest income from companies in the same Group	22	3
Other interest income	2,963	2,059
Other financial income	15,593	17,707
Exchange rate gains	1,452	5,087
<b>Total interest income and other financial income</b>	<b>20,030</b>	<b>24,855</b>
Interest expenses from companies in the same Group	-2,303	-1,005
Other interest expenses	-5,060	-3,211
Other financial expenses	-95	-46
Exchange rate losses	-4,138	-1,432
<b>Total interest expenses and other financial expenses</b>	<b>-11,596</b>	<b>-5,694</b>
<b>Net interest items and other financial items</b>	<b>8,434</b>	<b>19,161</b>

**Note 7 – Tax**

(Amounts in NOK 1,000)	2021	2020
<b>Taxable profit</b>		
Profit before tax	133,142	-14,610
Permanent differences/other differences	693	1,269
Changes in taxable/tax-deductible temporary differences	-41,578	126,138
Impact of items recognized in equity	7,274	-3,079
Effect of demergers and internal transactions	0	-132,259
Use of deficit carried forward	-43,476	0
<b>Total</b>	<b>56,055</b>	<b>-22,541</b>
22% tax payable	12,333	0
of which tax paid to abroad, directly expensed	0	0
<b>Tax payable in the tax expense</b>	<b>12,333</b>	<b>0</b>
<b>Tax expense for the year</b>		
Tax payable on the profit for the year	12,333	0
Change in deferred tax	18,711	-37,315
Change in deferred tax, demerged company	0	33,704
Change in deferred tax recognized directly in equity*	-1,600	677
Too much/too little set aside in previous years	0	0
<b>Total</b>	<b>29,444</b>	<b>-2,935</b>
<b>Tax payable in the balance sheet</b>		
Tax payable on the profit for the year	12,333	0
<b>Total</b>	<b>12,333</b>	<b>0</b>
<b>Taxable/deductible differences that offset each other</b>		
Fixed assets/liabilities	-441,375	-493,260
Current assets/liabilities	60,445	63,477
<b>Total taxable/tax-deductible differences that offset each other</b>	<b>-380,930</b>	<b>-429,783</b>
Acc. taxable losses carried forward	0	-43,476
Items recognized directly in equity*	296,371	303,645
<b>Total basis for deferred tax</b>	<b>-84,559</b>	<b>-169,614</b>
22% Deferred tax (+)/Deferred tax asset (-)	-18,603	-37,315
Change in deferred tax	18,713	-37,315
of which without effect on tax expenses	1,600	-34,381

\*Changes in capitalized financial instruments and pensions, as well as deferred tax relating to these items, are partly recognized directly in equity.

(Amounts in NOK 1,000)	2021 Tax expense	in % of profit before tax
<b>Calculation of effective tax rate</b>		
Tax calculated as an average nominal tax rate	29,291	22
Effect of permanent differences	153	0
<b>Tax expense according to income statement</b>	<b>29,444</b>	<b>22</b>



# Notes

## Note 8 – Intangible assets

### 2021

(Amounts in NOK 1,000)

	Goodwill
<b>Acquisition cost 01.10.2020</b>	<b>319,834</b>
<b>Acquisition cost 30.09.2021</b>	<b>319,834</b>

Siemens AS carries out annual impairment tests of goodwill. These tests are carried out more frequently in the event of any indications of impairment of goodwill. The impairment test was carried out in September 2021 and is based on provisional company figures from August 2021. The result of the test showed no indications of impairment by a good margin. Capitalized goodwill in the company as at 30.09.2021 was NOK 319.8 million and was mainly derived from the following acquisitions:

Bennex AS FY 2011

Poseidon Group AS FY 2011

Matre Instruments AS FY 2013

Siemens has used the utility value to determine the recoverable amount in cash-generating units (CGU). The model is based on expected division- and unit-specific cash flows for the next 5 years. Siemens has used a weighted average capital cost (WACC) specifically for each cash-generating unit. The utility value is the current value of estimated cash flow before tax, with a discount factor which reflects the time of the cash flows and the anticipated risks.

The cash flows in the calculations are based on long-term budgets for the years 2022 to 2026. Cash flows after 2026 will be derived using a long-term growth rate which is equivalent to anticipated long-term national inflation.

Central criteria used in utility value calculations:

The calculations of utility value for all cash-generating units (CGU) are based to a great extent on central criteria linked with:

- future cash flows
- growth rate, final value (net)
- weighted average capital cost (WACC)

As regards the calculation of utility value for the cash-generating unit (CGU), the key criteria are sensitive to changes in the price of oil and the future demand for the unit's product lines. Due to Siemens' sustainable and innovative solutions, demand has proven to be stable despite uncertainty and market fluctuations. Sensitivity has therefore proved to be low in 2021.

## Note 9 – Tangible assets

	Land/ buildings	Plant and machinery	Fixtures and fittings, equipment and tools	Assets under con- struction	Total
(Amounts in NOK 1,000)					
<b>Per 01.10.2020</b>	13,386	1,274	2,491	319	<b>17,470</b>
Disposals during the year – cost price	0	0	0	-319	<b>-319</b>
Acquisitions during the year	0	18	943	0	<b>962</b>
<b>Acquisition cost 30.09.2021</b>	13,386	1,292	3,434	0	<b>18,112</b>
Depreciation and write – downs for the year	-4,047	-212	-1,018	0	<b>-5,278</b>
<b>Book value 30.09.2021</b>	9,339	1,080	2,416	0	<b>12,834</b>
Depreciation plan	linear	linear	linear		
Economic life	10-50 years	10 years	3-5 years		

## Note 10 – Other non-current receivables

	2021	2020
(Amounts in NOK 1,000)		
<b>Other non-current receivables</b>		
Loans to employees (cf. Note 4)	3,936	4,565
Other non-current receivables	450	450
<b>Total</b>	<b>4,386</b>	<b>5,015</b>

The list shows the book value of receivables falling due later than one year after the balance sheet date.

**Note 11 – Inventories**

(Amounts in NOK 1,000)	2021	2020
<b>Inventories</b>		
Inventories of purchased goods for resale	18,591	20,896
<b>Total</b>	<b>18,591</b>	<b>20,896</b>
Provision for obsolete goods	2,369	3,095
Cost of goods for the year	1,024,144	653,470

**Note 12 – Accounts receivable**

(Amounts in NOK 1,000)	2021	2020
<b>Accounts receivable</b>		
Gross accounts receivable	325,645	271,224
Provision for losses on receivables	-2,866	-4,139
<b>Net accounts receivable</b>	<b>322,779</b>	<b>267,085</b>
Losses on accounts receivable	1,565	442
Changes in provisions	-1,426	3,953
<b>Net bad debts</b>	<b>137</b>	<b>4,395</b>

Outstanding receivables older than 60 days comprise approximately 6.2% of gross receivables. Siemens AS continuously follows up and evaluates risk and believes that the provisions for bad debts are adequate, based on an evaluation of the receivables.

**Note 13 – Means of payment**

Siemens AS has no restricted liquid assets. Siemens AS has a bank guarantee worth NOK 30 million to cover tax liabilities. Banking activities are undertaken through Siemens AG and an external bank. Siemens AS has low liquidity risk, since the company is part of the Siemens Group's corporate cash pooling system. Net deposits in Siemens AS as at 30.09.2021 were NOK 213 million and are classified as current liabilities in the balance sheet.

**Note 14 – Other current receivables**

(Amounts in NOK 1,000)	2021	2020
<b>Other current receivables</b>		
Accrued, unbilled revenues from production contracts (cf. note 19)	75,871	111,937
Other accrued, unbilled revenues	39,772	48,699
Currency derivatives	1,618	3,344
Other current receivables	4,221	5,468
<b>Total</b>	<b>121,482</b>	<b>169,448</b>

**Note 15 Equity**

(Amounts in NOK 1,000)	Share capital	Share premium reserve	Cash flow hedging	Actuarial gains and loss	Retained earnings	Total equity
<b>As at 30.09.2020</b>	40,951	8,769	-1,247	-235,596	222,766	<b>35,644</b>
Total comprehensive income	0	0	1,742	3,932	103,698	<b>109,372</b>
<b>As at 30.09.2021</b>	40,951	8,769	495	-231,664	326,464	<b>145,016</b>

# Notes

## Note 16 – Pension costs and pension liabilities

Siemens AS is obliged to provide an occupational pension scheme in accordance with the Norwegian Mandatory Occupational Pensions Act, and has a defined contribution-based occupational pension scheme which satisfies the requirements of this Act. Siemens AS has closed defined benefit plans, both funded and unfunded, as well as a defined contribution plan.

### Contribution plans

Siemens has a defined contribution-based occupational pension scheme. This is a scheme carried over from Siemens AS before the demerger. The contribution level is 5% of the individual employee's qualifying salary from the first krone up to 7.0G, and 13% of the qualifying salary from 7.1G up to 12G. NOK 25.3 million was paid in contributions in 2021.

The Norwegian Parliament resolved that AFP will be a life-long scheme as from 01.01.2011, in which the employee can decide when to receive the pension after reaching the age of 62. The payments will be influenced by the qualifying period and life expectancy of each individual employee. This AFP scheme is a defined benefit-based multi- employer pension scheme that is financed through premiums that are determined as a percentage of salary. As there is no current reliable method of calculating the liability, the scheme is accounted for as a defined contribution-based scheme in which the premium payments are expensed on an ongoing basis. As of 30.09.2021, NOK 7.4 million was paid into this scheme in 2021.

As of 01.01.2016, the company's previous additional defined benefit-based pension scheme for active senior managers was terminated and replaced with a defined contribution-based additional pension scheme. The qualifying salary for the scheme is the fixed annual salary in excess of 12G. This scheme was continued in the new company after the demerger on 01.03.2020.

### Defined benefit plans – unfunded schemes

In addition to the funded occupational pension scheme, Siemens AS has unfunded defined benefit-based pension liabilities. These operational pension plans comprise pension liabilities to retired senior managers.

(Amounts in NOK 1,000)

	2021	2020
<b>Pension costs, defined benefit plans</b>		
Interest expenses on pension obligations	303	406
<b>Recognized pension costs incl. Employer's NICs</b>	<b>303</b>	<b>406</b>
Actuarial loss (-)/gain (-)	-5,041	2,310
<b>Pension costs recognized in Other income and expenses</b>	<b>-5,041</b>	<b>2,310</b>
<b>Changes in pension liabilities</b>		
Pension liabilities 30.09.2020	57,270	54,554
Interest expenses on pension obligations	303	406
Pension payments	-3,840	0
Actuarial loss (-)/gain (-)	-5,041	2,310
<b>Pension liabilities at the end of the period</b>	<b>48,692</b>	<b>57,270</b>
<b>Financial assumptions</b>		
Discount rate	1,56 %	1,23 %
Expected salary adjustment	2,25 %	2,25 %
Expected pension increase	1,40 %	1,40 %
Expected G regulation	2,00 %	2,00 %

### Actuarial assumptions

Other actuarial assumptions have been applied to the calculations, such as the K-2013 mortality table, as well as other demographic factors prepared by Finance Norway (Finansnæringens Hovedorganisasjon). A staff turnover rate of 8% for the 20-29 age group, falling to 0% for employees aged 60 or over, has also been assumed. The turnover rate states the proportion of the workforce that is estimated to leave the company voluntarily during one year.

## Note 17 – Other non-current liabilities

(Amounts in NOK 1,000)

	2021	2020
<b>Other non-current liabilities</b>		
Staff provision for long period of service	13,011	10,352
Guarantee provision	2,455	2,538
Other non-current liabilities	8,709	10,749
<b>Total</b>	<b>24,174</b>	<b>23,639</b>

The list shows the book value of liabilities falling due more than one year after the balance sheet date.



**Note 18 – Other current liabilities**

(Amounts in NOK 1,000)	2021	2020
<b>Other current liabilities</b>		
Salaries and holiday pay	78,332	70,509
Service contracts invoiced in advance	4,163	5,101
Provisions for liabilities	20,760	20,984
Production projects billed in advance (cf. Note 19)	47,724	46,124
Currency derivatives with negative value (cf. note 20)	1,219	1,808
Other current liabilities	1,222	19,514
<b>Total</b>	<b>153,420</b>	<b>164,041</b>

(Amounts in NOK 1,000)	Loss con- tracts	Other	Total
<b>Provision for liabilities</b>			
30.09.2020	-9,455	-11,528	-20,983
Provision	-11,929	-4,997	-16,926
Dissolved	2,457	1,779	4,236
Used provision	9,827	3,088	12,915
<b>As at 30.09.2021</b>	<b>-9,100</b>	<b>-11,658</b>	<b>-20,758</b>

**Note 19 – Long-term manufacturing contracts**

This note shows accounting figures for the entire project life cycle, which typically extend over several accounting periods.

(Amounts in NOK 1,000)	2021	2020
<b>Work in progress</b>		
Recognized as income	735,079	1,591,608
Costs	-688,011	-1,484,320
<b>Net profit/loss</b>	<b>47,068</b>	<b>107,288</b>
Revenue from projects	530,321	293,903
Estimated remaining production costs for loss-making projects	-8,448	-17,711
Earned, unbilled revenue included under other current receivables from manufacturing projects where the percentage of completion method is used (see note 14)	75,871	111,937
Production billed in advance, included in other current receivables from manufacturing projects where the percentage of completion method is used (see note 18)	47,724	46,124

The entire expected loss on these projects is charged as a provision, which is reduced in parallel with the progress of the project or realization of the losses.

**Project risk and uncertainty**

Siemens AS mainly has long-term contracts, of which many are fixed-price contracts based on bids. Delays, quality issues or increases in project costs can result in costs which are not covered by the revenues from the project in question. If a project is identified as loss-making, a provision is made for expected future losses. For accounting purposes, the recorded loss is the best estimate at the close of the financial period. Circumstances and information can change in subsequent periods and the final outcome may therefore be better or worse than the assessment made at the time the accounts were prepared.

# Notes

## Note 20 – Currency derivatives and financial instruments

Based on current guidelines, 75-100% of future cash flows and positions in foreign currencies must be hedged using forward contracts and options. Financial instruments are used for hedging purposes where there is an offsetting item in the underlying cash flows from operations.

Siemens AS has significant currency exposure relating to purchases and sales in EUR, GBP, SEK and USD. In addition, options may be used to hedge against fluctuations during the bid phase of projects. All hedging is undertaken through Siemens AG.

Siemens AS has no financial instruments linked to interest rate exposure.

(Amounts in NOK 1,000)	2021	2020
<b>The following amounts related to currency hedging contracts are recognized as financial income / expense in the financial year</b>		
Realized gain/loss (-) from expired hedging contracts	2,762	-1,285
Accumulated gain/loss (-) not reversed from equity	1,066	-269
<b>The following amounts related to currency hedging contracts are recognized in other income and expenses (adjusted for deferred tax)</b>		
Unrealized gain/loss (-) recognized in the financial year	-635	1,247
Accumulated gain/loss (-) not reversed from equity	-635	-1,247

### List of unrealized currency forward contracts as at 30.09.2021

Currency forward contracts (counter position NOK)	Currency amount	Amount in NOK	Agreed average rate	Price as at 30.09.2021	Average time remaining in days
Sales EUR	3,573	38,011	10.6383	10.1650	238
Purchases EUR	7,877	81,082	10.2940	10.1650	84
Sales USD	1,076	9,634	9.0046	8.7788	137
Purchases USD	1,122	10,042	8.9490	8.7788	125

(Amounts in NOK 1,000)	2021	2020
<b>Fair value of the derivatives that are recognized in the balance sheet as at 30.09.2021</b>		
EUR	398	152
USD	1	-499
<b>Total</b>	<b>399</b>	<b>-347</b>
Positive holdings: Short-term share	900	2,831
Positive holdings: Long-term share	718	51
Negative holdings: Short-term share	-1,219	-242
Negative holdings: Long-term share	0	-128
<b>Total</b>	<b>399</b>	<b>2,512</b>

(see the table for currency derivatives and financial instruments)

The fair value of hedging instruments is determined by multiplying the difference between the exchange rate on the balance sheet date and the agreed exchange rate by the hedged amount in foreign currency and applying a discount rate. An administration fee is included for the issuer of the hedging instrument (Siemens AG).

In the income statement, the valuation and settlement of hedging contracts are entered under financial expenses and income. In the balance sheet, the values of open hedging contracts are recognized in other current or non-current receivables or other current or non-current liabilities. The share of long-term positive holdings comprises TNOK 718. Siemens AS has no long-term negative holdings.

Siemens AS uses Cash Flow Hedge Accounting for significant cash flows. The purpose of hedge accounting is to avoid any impact on the income statement from unrealized gains and losses on the hedging instrument. The effectiveness of the hedging is monitored continuously and documented in accordance with the rules for hedge accounting. If the requirements for the use of hedge accounting are no longer met, the hedged item and the hedging instrument are measured separately using the relevant accounting rules.

On hedging cash flows (Cash Flow Hedge Accounting) unrealized gains and losses on the hedging instrument are recognized in equity. Deferred tax on the provision is recognized directly in equity. Other hedging contracts that are not classified as hedge accounting are recorded at fair value to the income statement.

As of 30.09.2021 there are no material ineffective hedges.

(Amounts in NOK 1,000)

	2022	2023	2024
<b>Periods during which hedged cash flows in foreign currencies, classified as Cash Flow Hedge Accounting, are assumed to affect the income statement.</b>	113	508	0

**Financial instruments according to category**

	Loans and receivables	Derivatives used for hedging purposes	Total
<b>Assets as at 30.09.2021</b>			
Other non-current receivables	3,668	718	<b>4,386</b>
Accounts receivable	322,779	0	<b>322,779</b>
Long-term subleasing receivables	82,988	0	<b>82,988</b>
Short-term subleasing receivables	25,646	0	<b>25,646</b>
Other current receivables	120,582	900	<b>121,482</b>
<b>Total</b>	<b>555,663</b>	<b>1,618</b>	<b>557,281</b>

	Other financial liabilities	Derivatives used for hedging purposes	Total
<b>Liabilities as at 30.09.2021</b>			
Other non-current liabilities	24,174	0	<b>24,174</b>
Accounts payable	90,342	0	<b>90,342</b>
Current liabilities to Group companies	212,908	0	<b>212,908</b>
Non-current liabilities	151,103	0	<b>151,103</b>
Short-term lease obligations	52,425	0	<b>52,425</b>
Advances from customers	11,095	0	<b>11,095</b>
Other current liabilities	153,420	0	<b>153,420</b>
<b>Total</b>	<b>695,468</b>	<b>0</b>	<b>695,468</b>

**Note 21 – Financial market risk**

Siemens uses financial forward contracts through Siemens AG to hedge against exposure to currencies. However, Siemens AS does not use financial instruments linked to interest-bearing items. As a result of the strong liquidity of Siemens AG, Siemens AS has a low liquidity risk. Accounts receivable are assessed continuously on the basis of changes in market conditions and the management's assessment. We consider this to be taken into account in the provisions for losses on receivables (see Note 12).

Currency risk and the use of financial instruments are described in Note 20.

# Notes

## Note 22 – Transactions with related parties

(Amounts in NOK 1,000)		2021	2020
<b>Sales</b>			
Siemens Mobility AS	Siemens company	12,718	10,261
Siemens Healthcare AS	Siemens company	12,210	7,041
Siemens Financial Services AB	Siemens company	3,027	1,863
Siemens AG	Siemens company	1,047	2,340
Siemens Limited, Taipeh	Siemens company	502	2,829
Siemens Aktiengesellschaft Österreich	Siemens company	308	-
Siemens Electrical Drives Ltd.	Siemens company	241	-
Siemens Ltd.	Siemens company	234	-
Siemens d. o. o. Beograd	Siemens company	94	-
Siemens Sanayi ve Ticaret Anonim Sirketi, Istanbul	Siemens company	44	-
Siemens Energy AS *		-	102,378
Siemens Industrial Turbomachinery AB, Finspång *		-	8,752
Siemens Energy Co. Ltd. *		-	3,511
Siemens Industrial Trading Ltd. Shanghai *		-	5,035
Siemens Sp. z.o.o., Warschau	Siemens company	-	702
<b>Total</b>		<b>30,427</b>	<b>144,711</b>
<b>Purchases</b>			
Siemens AG	Siemens company	692,088	434,987
Siemens Schweiz AG, Zürich	Siemens company	80,106	48,452
Siemens Aktiengesellschaft Österreich	Siemens company	16,972	22,277
Siemens AB, Solna	Siemens company	14,153	14,078
Siemens Holding S.L., Madrid	Siemens company	12,942	-
Siemens EOOD, Sofia	Siemens company	12,665	-
Siemens Sanayi ve Ticaret Anonim Sirketi, Istanbul	Siemens company	9,048	19,995
Siemens Electric Machines s.r.o., Drasov	Siemens company	8,814	-
Siemens A/S, Ballerup	Siemens company	8,110	-
Siemens plc, Frimley, Surrey	Siemens company	7,805	15,832
Siemens Energy AS *		-	35,819
Siemens Energy Kft. *		-	8,114
Siemens Industry, Inc, Wilmington	Siemens company	-	14,117
Siemens Electrical Drives Ltd., Tianjin	Siemens company	-	11,620
<b>Total</b>		<b>862,702</b>	<b>625,291</b>

\* From 01.10.2020 all Siemens Energy companies were defined as external.

Purchases from and sales to related parties are regarded as commercial transactions. Purchases and sales between related parties principally take place in connection with project collaboration. There are also a number of cost allocations in connection with the use of common services in the Group.

Siemens AS has no intra-Group balances relating to liabilities and receivables, since purchases and sales are paid for directly from the Group cash pool (cf. Note 13).

The consolidated financial statements of Siemens AG can be obtained using the following address:  
Siemens AG, Werner-von-Siemens-Str. 1, D-80333 Munich, Germany.  
<http://www.siemens.com>

**Note 23 – Other off-balance-sheet liabilities****Off-balance-sheet liabilities**

At the end of the 2021 financial year, Siemens AS has the following off-balance-sheet liabilities divided into the following categories.

**Mortgages and guarantees**

(Amounts in NOK 1,000)	2021	2020
<b>Guarantee liability</b>		
Guarantees issued by external financial institutions	75,534	47,057
<b>Total guarantee liability</b>	<b>75,534</b>	<b>47,057</b>

Siemens AS has a guarantee liability of NOK 75 million, issued by external financial institutions. The guarantees concern obligations to the authorities and contractual parties.

**Note 24 – Share-price-based compensation**

Senior management in Siemens AS are granted options by Siemens AG. There is a 4 year delay between when the Stock Awards are granted and when they can be exercised.

The costs of the options are included in the accounts of Siemens AS. Siemens AS is charged the expected monthly cost of the options by Siemens AG on the date of the allocation. The cost builds up a liability in Siemens AS to Siemens AG. The cost is based on the fair value of the options as at the balance sheet date. At the point when the options are exercised, their actual value is used. This forms the basis for the final cost billed from Siemens AG.

The Norwegian marginal tax is calculated and paid to the Norwegian tax authorities, while the remainder of the amount is paid to the employee by Siemens AS. The total cost of these options is charged to payroll expenses. In the 2021 financial year, this amounted to NOK 1.4 million. The book value of the liabilities amounts to NOK 2.0 million.

In 2020, Siemens AS carried out a demerger, and Siemens Energy was spun off as a separate independent company. When Siemens Energy was listed on the stock exchange, executives in Siemens AS were offered a number of shares in Siemens Energy. This took place on 30.09.2020. These shares have been added as an additional item for the opening balance in 2021.

	2021		2020	
	Average price EUR per share	Number of Stock Awards	Average price EUR per share	Number of Stock Awards
<b>As at 30.09.2020</b>	-	<b>8,648</b>	-	-
Allocated Siemens Energy shares *	-	4,328	-	-
<b>As at 01.10.2020</b>	-	<b>12,976</b>	-	-
Awarded	87.89	696	48.85	657
Lapsed	49.29	-539	34.70	-1,139
Exercised	58.86	-2,109	73.89	-271
Settlement	-	-	64.55	9,401
<b>As at 30.09.2021</b>		<b>11,024</b>		<b>8,648</b>

\* Awarded Siemens Energy shares when the new company was listed on the stock exchange.



# Notes

## Note 24 – Share-price-based compensation *Continue*

### Share options granted to employees

Every financial year, all Siemens Group employees are offered the opportunity to purchase Siemens shares through the Share Matching Plan programme. Employees who enter into this agreement have a fixed amount of 0-5% of their gross salary deducted each month.

The amount is invested in Siemens shares in the following month. Siemens gives the employee one free share for every three shares the employee owns. Siemens AS is billed quarterly for the administration of the Share Matching Plan in addition to the fourth share the employee is granted after three years. For the 2021 financial year these costs amounted to NOK 0.9 million.

	2021		2020	
	Average price EUR per share	Number of shares	Average price EUR per share	Number of shares
<b>As at 30.09.2020</b>	-	<b>1,606</b>	-	-
Allocated Siemens Energy shares *	-	796	-	-
<b>As at 01.10.2020</b>	-	<b>2,402</b>	-	-
Awarded	95.58	988	-	-
Lapsed	69.92	-125	89.81	-116
Exercised	62.61	-867	-	-
Settlement	68.76	-71	179.78	1,721
<b>As at 30.09.2021</b>	-	<b>2,327</b>	-	<b>1,606</b>

\* Awarded Siemens Energy shares when the new company was listed on the stock exchange.

**Note 25 – IFRS 16 Leases**

(Amounts in NOK 1,000)	Land/ Buildings	Cars	Total
<b>Movement of right-to-use assets</b>			
<b>Balance sheet 01.10.2020</b>	<b>92,284</b>	<b>6,367</b>	<b>98,650</b>
Correction of reclassification in 2020 *	13,895	0	13,895
Additions, new lease agreements **	4,181	1,284	5,465
Change of right-to-use Siemens Gamesa ***	3,853	0	3,853
Indexing ****	6,107	238	6,345
Correction of right-to-use property	278	0	278
Disposals	0	-696	-696
<b>Acquisition cost 30.09.2021</b>	<b>120,598</b>	<b>7,193</b>	<b>127,790</b>
Depreciation for the year	-26,217	-2,591	-28,808
Depreciation disposals	0	347	347
<b>Accumulated depreciation and write-downs 30.09.2021</b>	<b>-26,217</b>	<b>-2,244</b>	<b>-28,461</b>
<b>Book value 30.09.2021</b>	<b>94,380</b>	<b>4,948</b>	<b>99,328</b>

\* Correction of right-to-use assets 2020 related to incorrect use of square meters for the lease with Siemens Energy AS.

\*\* Related to extension of the lease contract in Porsgrunn and a split of leases in Trondheim.

\*\*\* From 1 October 2020, the sublease to Siemens Gamesa Renewable Energy AS has been treated as operational. This has led to a new measurement of the right-to-use asset and the subleasing receivable.

\*\*\*\* Indexing of vehicles and property is based on changes in the consumer price index for Norway.

<b>Movement of the lease obligation and the sublease claim</b>	<b>Lease obligations</b>	<b>Subleasing receivables</b>
<b>Balance sheet 30.09.2020</b>	<b>243,087</b>	<b>138,137</b>
Correction	0	-566
Acquisitions	1,934	0
Change Gamesa *	0	-3,853
Indexing obligation **	5,145	0
Interest expense/Interest income, subleasing	4,798	2,659
Rental payment/Sublease payment	-51,436	-27,742
<b>Balance sheet 30.09.2021</b>	<b>203,528</b>	<b>108,634</b>

\* From 1 October 2020, the sublease to Siemens Gamesa Renewable Energy AS has been treated as operational. This has led to a new measurement of the right-to-use asset and the subleasing receivable.

\* Indexing of lease obligation is based on changes in the consumer price index for Norway.

<b>Classification of liabilities and receivables</b>	<b>Lease obligations</b>	<b>Subleasing receivables</b>
Short-term	52,425	25,646
Long-term	151,103	82,988

<b>Undiscounted payments/income years</b>	<b>Within 1 year</b>	<b>2-3 years</b>	<b>4-5 years</b>	<b>Over 5 years</b>
Future undiscounted rental payments	56,187	100,058	55,352	4,968
Future undiscounted subleasing income	27,742	53,960	31,912	0

## UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Siemens AS

### Uttalelse om revisjonen av årsregnskapet

#### Konklusjon

Vi har revidert årsregnskapet for Siemens AS som består av balanse per 30. september 2021, oppstilling av totalresultat og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 30. september 2021, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

#### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i avsnittet *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med de relevante etiske kravene i Norge knyttet til revisjon slik det kreves i lov og forskrift. Vi har også overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

#### Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og administrerende direktør (ledelsen) er ansvarlig for den øvrige informasjonen. Vår uttalelse om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon, er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

#### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller legge ned virksomheten, eller ikke har noe annet realistisk alternativ.

#### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig

dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg

- ▶ identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll;
- ▶ opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll;
- ▶ vurderer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimaterne og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige;
- ▶ konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det foreligger vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet. Hvis slike tilleggsopplysninger ikke er tilstrekkelige, må vi modifisere vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapets evne til fortsatt drift ikke lenger er til stede;
- ▶ vurderer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen, tidspunktet for vårt revisjonsarbeid og eventuelle vesentlige funn i vår revisjon, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom vårt arbeid.

## Uttalelse om øvrige lovmessige krav

### Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av resultatet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

### Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 17. desember 2021  
ERNST & YOUNG AS

*Revisjonsberetningen er signert elektronisk*

Leiv Aschehoug  
statsautorisert revisor

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