SIEMENS

Annual Report

Siemens Financieringsmaatschappij N.V.

October 1, 2021 – September 30, 2022

Siemens Financieringsmaatschappij N.V.

Contents

Report of the Management Board

Herewith we present the Financial Statements of Siemens Financieringsmaatschappij N.V. (the Company or SFM) as of September 30, 2022. These Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with Part 9 of Book 2 of the Dutch Civil Code.

General

Siemens Financieringsmaatschappij N.V. is registered at Prinses Beatrixlaan 800, 2595 BN The Hague, the Netherlands, a public company, founded on September 14, 1977 under the laws of the Netherlands and acts under its legal and commercial name Siemens Financieringsmaatschappij N.V.

The Company acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies (Affiliated Companies). The Company is a 100% subsidiary of Siemens AG Berlin/Munich, Germany.

The Company is part of the Group Funding section of Siemens Controlling and Finance Financing (CF F). Group Funding and SFM as an issuer are responsible for safeguarding the Siemens Group's liquidity by establishing the necessary capital market instruments such as commercial paper, medium-term notes and long-term bonds.

Objectives

The objectives of the Company, in accordance to article 3 of its articles of association, are participating in, financing and managing companies, enterprises and other business undertakings, withdrawing and lending money and, in general conducting financial transactions, issuing securities and doing all such further actions and taking measures as are consequential or may be conducive thereto in the broadest sense.

Strategy

The Company is a funding party of the Affiliated Companies. Funding is found by borrowing on the money and capital markets by taking out loans, issuing bonds, notes, private placements and commercial papers. The Company has no participations.

Given the objectives of the Company, SFM is economically interrelated with the parent company, Siemens AG, Germany. In the next fiscal year the Company will continue its activities as financing company for Affiliated Companies.

Risk management

Under responsibility of the Management Board, systems for internal control and for the management of risks within SFM were set up, in cooperation with Siemens AG, to identify and subsequently manage the credit, interest and foreign exchange rate risks which could endanger the realization of the objectives of the Company.

One of the risks borne by the Company is the risk of fraud. Fraud can have a significant impact on the financial statements of the Company, but more importantly fraud can lead to severe reputational damage. As a result of the internal control structure implemented, the risk of fraud is considered to be mitigated appropriately. Key elements of the internal control structure consist of the segregation of duties and the 4-eye-principle for approval of transactions.

Most interest risks and foreign exchange risks are hedged by mirror deals or hedging instruments. The vast majority of the Company's assets are Receivables from Affiliated Companies. Credit losses on Receivables from Affiliated Companies exceeding €2 million are covered by a Limited Capital at Risk Agreement with Siemens AG. Furthermore, all debt instruments of SFM are unconditionally and irrevocably guaranteed by Siemens AG.

Ukraine

The effects of a war may have material uncertainty for the economy. At the date of issuance of this report, SFM has no open positions with Ukrainian or Russian companies and, therefore, no reason to expect that the war in Ukraine has additional impact on the Company.

COVID-19

The COVID-19 crisis has affected the markets worldwide. Key uncertainties of the crisis are its duration and the economic cost of the various COVID-19 measures. However, so far the Company has not seen an impact on its business. Given that SFM is economically interrelated with its parent company Siemens AG, the Company directly benefits from Siemens AG's own COVID-19 mitigation measures.

Based on the latest developments as well as the fact that all debt instruments of SFM are unconditionally and irrevocably guaranteed by Siemens AG (whose credit rating is A1/A+ according to Moody's and Standard & Poor's, which is unchanged since the publication of the Annual Report FY2021), the Company expects the impact on its business remains limited. At the date of issuance of this report, the Company has no reason to believe that the impact of COVID-19 poses a threat to its ability to continue as a going concern.

Climate change

SFM adheres to the Siemens AG commitment to mitigate climate change and its pledge to make a contribution to limit global warming to 1.5 degrees Celsius, its target to achieve CO2-neutral business operations by 2030 and CO2-neutral supply chain by 2050, its path of continuous reduction of emissions from business operations, collaboration with suppliers, and a portfolio that helps customers protecting the environment. However, in the function of a finance company for Affiliated Companies, SFM has not seen any impact from climate change on its business and expects the impact on its Statement of Financial Position to remain very limited.

Changes of regulations, laws and policies

The Affiliated Companies, which are partners of the Company in different business transactions, operate in different countries of the world and are, therefore, subject to different regulations. With support of Siemens internal and external tax and legal advisors the management of the Company continuously monitors current and upcoming changes in regulations, laws and policies. Legislative changes could affect business relationships with the Affiliated Companies in those countries, but the impact on objectives and overall result of the Company is considered to be low.

Risk and Internal control framework

SFM implemented the extensive risk and internal control framework established in the Siemens Group. The Company also continuously improves its risk management in alignment with Siemens guidelines and standards.

The Corporate Governance Statement of Siemens Financieringsmaatschappij N.V. is published on the Company's website.

Assessment of the overall risk situation

The Company's response strategies with respect to risks are avoidance, transfer, reduction or acceptance (e.g. in case of changes in legislation) of the relevant risk. Considering these strategies, the level of risks and uncertainties that the Company is prepared to accept (Risk Appetite) is considered to be low. Siemens controlling departments regularly review the adequacy and effectiveness of the Company's risk management system.

Accordingly, if deficits are detected, it is possible to adopt appropriate elimination measures. At present, no risks have been identified that either individually or in combination could endanger the Company's ability to continue as a going concern.

Business Review

The Company participates as issuer in a €30.0 billion program for the issuance of Debt Instruments (DIP) and in a US$9.0 billion global commercial paper program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company.

The Company also participates in two credit facility programs of Siemens AG.

In February 2022, under the DIP, the Company issued bonds in three tranches with a total nominal value of €2.0 billion and maturities in 2027, 2030 and 2035.

A further issuance took place under the DIP in September 2022, whereby the Company issued instruments totaling €3.0 billion in four tranches and maturities in 2025, 2027, 2030 and 2033.

The net proceeds of these issuances were on-lent to an Affiliated Company.

During fiscal year 2022, a number of debt instruments with a total nominal value of €6.1 billion matured and were redeemed.

The total nominal amount outstanding under the DIP was €22.9 billion as of September 30, 2022.

In October 2021, an unused €7.0 billion syndicated, multicurrency, revolving credit facility was amended and restated to switch to SONIA and SOFR. This facility matures in 2026.

During year ended September 30, 2022, the Company signed a new €0.5 billion three-year term loan with an external bank. This loan facility has been fully utilized. Two term loan facilities with the same bank totalling US$0.5 billion matured during the fiscal year.

An existing term loan of US$0.5 billion with another external bank was extended until 2025, using the last extension option.

The Company's balance sheet increased from €44.7 billion in fiscal year 2021 to €47.4 billion in fiscal year 2022. This was mainly due to the net effect of the above-mentioned issuances and maturities.

Net interest income increased from €13.9 million in fiscal year 2021 to €23.3 million in fiscal year 2022, driven by the effects of rising interest rates during the year.

From December 2021, the calculation of credit valuation adjustments (CVA) on interest rate swaps changed, and is now based on credit default swaps rather than probabilities of default. This led to a -€1.1 million movement in the ineffective portion of fair value hedges and is the main cause of the movement in Fair value changes of financial instruments shown in the Statement of Comprehensive Income (from -€0.7 million in 2021 to -€2.7 million in 2022).

After taking account of other general expenses, the Company recorded a profit after taxes of €7.3 million for the fiscal year 2022 compared with a profit after taxes of €7.8 million in fiscal year 2021.

Tax

In fiscal year 2017 a joint tax audit was conducted by the German and Dutch tax authorities in order to analyse all the functions, risks and assets involved in the finance activities of the Company and their role in the Siemens group. The purpose of the joint tax audit was to review the former agreement for the fiscal years 2017 up to and including 2019. As a result, the Limited Capital at Risk Agreement was updated for the Company in fiscal year 2017. The agreement between the Dutch and German tax authorities expired on September 30, 2019 and the tax authorities have not agreed upon its prolongation. Based on an external benchmark research, conducted by an independent third party in 2022, it was confirmed that the remuneration for the performed financing activities of the Company is still at arm's length, as such there is no need to adjust the Limited Capital at Risk Agreement. Therefore, SFM will continue to use the current transfer pricing policy. This was communicated to the German and Dutch tax authorities.

Diversity

Siemens is a richly multicultural organization with operations in nearly every country in the world. Siemens' diversity practices are built on awareness and respect for local histories, cultures and needs. Siemens promotes diversity at all levels, from entry level to the highest ranks. Siemens strives to transform the everyday for its customers, employees and society. Committing to this transformation means committing to Diversity, Equity & Inclusion (DEI).

The Management Board and the Supervisory Board of SFM fully support the commitment to DEI. With regard to the composition of the Management Board and the Supervisory Board, attention shall be paid to achieving sufficient diversity. Not only is appropriate consideration to be given to women. Diversity of cultural heritage and a wide range of educational and professional backgrounds, experiences and ways of thinking are also to be promoted. When considering possible candidates for new elections, or for filling Management Board and Supervisory Board positions that have become vacant, appropriate consideration shall be given to diversity at an early stage in the selection process.

The Supervisory Board and the Management Board are staffed with members with different nationalities and different working experiences as well as different ages. The gender balance of the Management Board is fifty-fifty.

Other items

All personnel are employed by the regional company Siemens Nederland N.V.

Due to the listing of debt instruments at the Luxembourg Stock Exchange the Company is regarded as a public interest entity ("organisatie van openbaar belang"). The Company therefore has established an audit committee that, inter alia, monitored the audit of the financial statements of the Company by the external auditor and reviewed and monitored the independence of the external auditor

Representation by the Management Board as required under section 3 (2) of the Transparency Law

The Management Board declares that, to the best of its knowledge, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with Part 9 of Book 2 of the Dutch Civil Code give a true and fair view of the assets, liabilities, financial position and results of the Company. The report of the Management Board includes a fair review of the development and performance of the business during the fiscal year, the position of the Company on the balance sheet date and a description of the material risks that the Company faces.

The Hague, December 6, 2022

Siemens Financieringsmaatschappij N.V.
The Management Board

G.J.J. van der Lubbe	K.E. Mitchell
Managing Director	Managing Director

Report of the Supervisory Board

Composition of Supervisory Board and Audit Committee during the fiscal year 2022

Dr. P. Rathgeb (1967, Austrian nationality, male), Chairman of the Supervisory Board

Member of the Supervisory Board since: 01-07-2018

Mr. T. Hahn (1967, German nationality, male)

Member of the Supervisory Board since: 01-07-2020

Mr. B.G. Trompert (1948, Dutch nationality, male)

Member of the Supervisory Board since: 01-07-2009

Presentation

We hereby submit the Report of the Supervisory Board of Siemens Financieringsmaatschappij N.V. for the fiscal year 2022. The Financial Statements have been audited by Mazars Accountants N.V. The Supervisory Board recommends the General Meeting of Shareholders to adopt the Financial Statements and to grant discharge to the members of the Management Board.

Meetings and other sessions

The Supervisory Board convened twice in the fiscal year 2022. During these meetings and during other ad hoc contacts with the Management Board throughout the year, monitoring is ensured.

Risks and internal risk management systems

The Siemens risk management system - laid down in the Siemens Policy and Control Masterbook - is regarded as the single source for globally relevant control requirements at Siemens. The Company is integrated in this Siemens Group wide risk system.

Financial reporting

The reporting processes were presented and clarified to the Supervisory Board. On the basis of this presentation and the reports from the external auditor, the Supervisory Board is of the opinion that the Management Board sufficiently meets its responsibilities.

External auditor

Prior to the financial audit the audit approach has been discussed and agreed upon with the external auditor and the Supervisory Board has assessed the independence of the external auditor. It was concluded that, amongst others, in view of the absence of non-audit services, there is no question of threats to independence.

The Hague, December 6, 2022

Dr. P. Rathgeb
Chairman

T. Hahn

B.G. Trompert

Financial Statements

Statement of Comprehensive Income

(in millions of €)	Notes	Fiscal year ended September 30, 2022	2021
Interest income	4	812.3	697.4
Other financial income	4	1.5	0.2
Interest expenses	4	(786.4)	(674.5)
Other financial expenses	4	(4.1)	(9.2)
Net interest income (expenses)		**23.3**	**13.9**
Fair value changes of financial instruments	5	(2.7)	(0.7)
Non-trading foreign exchange results	6	(9.2)	(1.5)
Net operating income (loss)		**11.4**	**11.7**
Other general expenses	7	(1.6)	(1.3)
Profit (loss) before taxes		**9.8**	**10.4**
Income tax revenue (expenses)	8	(2.5)	(2.6)
Profit (loss) after taxes		**7.3**	**7.8**
Other comprehensive income		—	—
Income taxes relating to components of other comprehensive income		—	—
Total other comprehensive income after taxes		**—**	**—**
Total comprehensive income for the period attributable to equity holders		**7.3**	**7.8**

Statement of Financial Position

(in millions of €)	Notes	September 30, 2022	September 30, 2021
ASSETS			
Cash and cash equivalents	9	17.9	30.0
Receivables from Associated Companies	10	47,308.2	44,366.8
Derivative financial instruments	11	93.5	324.5
Deferred tax asset	8	0.5	—
Other financial assets	12	6.4	9.8
Total Assets		**47,426.5**	**44,731.1**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to Affiliated Companies	13	5.2	4.2
Debt	14	47,176.9	44,497.5
Tax liabilities	8	0.6	0.4
Deferred tax liabilities	8	—	0.2
Other financial liabilities	15	164.5	149.0
Total Liabilities		**47,347.2**	**44,651.3**
Equity attributable to equity holders			
Issued and paid in share capital	16	10.3	10.3
Share premium reserve	16	1.5	1.5
Retained earnings	16	60.2	60.2
Undistributed profit (loss)	16	7.3	7.8
Total Equity attributable to equity holders		**79.3**	**79.8**
Total Liabilities and shareholder’s equity		**47,426.5**	**44,731.1**

Statement of Cash Flows

(in millions of €)	Notes	Fiscal year ended September 30, 2022	2021
Profit (loss) before taxes		9.8	10.4
Adjustments for non-cash income/ expenses:			
Amortization (dis-) agio	4	7.5	(1.2)
Amortization transaction cost	4	15.8	16.2
Non-trading foreign exchange results	6	9.2	1.5
Fair value change of debt in a hedging relationship	5	(228.2)	(123.4)
Change in Derivative financial instruments	12	234.4	124.1
Change in Interest accruals	10	(18.1)	4.6
Change in Allowance for expected credit losses	7/10	0.5	0.3
Other movements from operations:			
Change in Other financial liabilities	15	15.5	(84.2)
Change in Receivables from Affiliated Companies	10	983.9	(5,235.9)
Change in Liabilities to Affiliated Companies	13	1.0	(2.6)
Transaction cost received (paid) [1]		(30.8)	(38.7)
Income taxes received (paid)	8	(3.1)	(2.7)
Net cash (used in) provided by operation activities		**997.4**	**(5,331.6)**
Net cash (used in) provided by investing activities		**—**	**—**
Proceeds from issuance of debt	14	5,500.0	8,768.0
Redemption of debt	14	(6,501.7)	(3,518.1)
Dividends paid		(7.8)	(8.4)
Net cash (used in) provided by financing activities		**(1,009.5)**	**5,241.5**
Net change in cash and cash equivalents		**(12.1)**	**(90.1)**
Cash and cash equivalents at beginning of the year		30.0	120.1
Cash and cash equivalents at end of the period	**9**	**17.9**	**30.0**

[1] The presented position consists of (dis-) agio and transaction costs.

Interest paid and received (in millions of €)	**Fiscal year ended September 30,** 2022	2021
Interest paid	(739.8)	(656.7)
Interest received	772.5	686.7
Interest related income (expenses)	23.0	3.5

Statement of Changes in Equity

(in millions of €)	Issued and paid-in capital	Share premium reserve	Retained earnings	Un-distributed profit (loss)	Total
Balance as at October 1, 2020	10.3	1.5	60.3	8.4	80.5
Appropriation of undistributed profit (loss)	—	—	—	—	—
Dividends	—	—	—	(8.4)	(8.4)
Total comprehensive income for the fiscal year ended September 30, 2021	—	—	—	7.8	7.8
Balance as at September 30, 2021	**10.3**	**1.5**	**60.2**[1]	**7.8**	**79.8**[1]

[1] The value doesn't sum up, due to rounding difference.

Balance as at October 1, 2021	10.3	1.5	60.2	7.8	79.8
Appropriation of undistributed profit (loss)	—	—	—	—	—
Dividends	—	—	—	(7.8)	(7.8)
Total comprehensive income for the fiscal year ended September 30, 2022	—	—	—	7.3	7.3
Balance as at September 30, 2022	**10.3**	**1.5**	**60.2**	**7.3**	**79.3**

Notes to the Financial Statements

1. Basis of presentation

Reporting entity

Siemens Financieringsmaatschappij N.V. is a company domiciled in the Netherlands. The address of the Company's registered office is Prinses Beatrixlaan 800, 2595 BN The Hague, the Netherlands. SFM is founded on September 14, 1977 and registered in the Chamber of Commerce in the Hague, number 27092998 (LEI number: TAF0772JB70PDRN5VS48). The Company has chosen Luxembourg as its home member state, pursuant to the law on transparency requirements for issuers of securities. SFM acts as a finance company for the benefit of Siemens AG and Siemens AG Group companies (Affiliated Companies). Since September 28, 1992, SFM is a 100% subsidiary of Siemens AG Berlin/Munich, Germany, which is also the ultimate owner of the Company. SFM's financial figures are included in the Siemens AG Consolidated Financial Statements.

The Management Board may decide to amend the Financial Statements as long as they are not adopted by the General Meeting. The General Meeting may decide not to adopt the Financial Statements, but may not amend them.
The Financial Statements were authorised for issue by the Management Board on December 6, 2022

Reporting standard

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with Part 9 of Book 2 of the Dutch Civil Code. The Company applied all standards and interpretations that were effective as of October 1, 2021. The following standards and interpretations are mandatory and/or implemented for the first time:

Standard	Interpretation	Effective date	Endorsed by EU	Impact
IFRS 9 / IAS 39 / IFRS 7/ IFRS 4/ IFRS 16	Amendment: Interest Rate Benchmark Reform - Phase 2	January 1, 2021	Y	See below

In 2019, The International Accounting Standards Board published Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) with the aim to provide relief to the expected impact of the interest rate benchmark reform on hedge accounting in two phases. Phase 1 is a temporary relief for transition period (effective for annual reporting periods beginning on or after January 1, 2020) and phase 2 is a relief for when the IBOR is replaced with the alternative nearly risk-free interest rate (effective for annual reporting periods beginning on or after January 1, 2021). The Company's current reporting period falls within Phase 2.
Phases 1 and 2 had limited impact for SFM as the Company only has one fair value hedge accounting package with two interest rate swaps. The project itself on the Interest Rate Benchmark Reform is a central project, with all aspects being handled completely by Head Office in Munich. The overall aim of the project is to minimize the financial impact for the whole Siemens AG group, including SFM. For SFM, this simply meant that the LIBOR rate was replaced in the system during Phase 1 (carried out centrally by Head Office in Munich), with no effect on any other elements or components of the hedge accounting package such as cashflow, maturity date, etc, and with no effect on the Risk Management Strategy of the Company.

A number of standards, amendments to standards and interpretations are not effective for the fiscal year beginning October 1, 2021 and have not been early adopted. The relevant (amendments to) standards and interpretations not adopted are:

Standard	Interpretation	Effective date	Endorsed by EU	Impact
IFRS 3	Amendment: Reference to the Conceptual Framework	January 1, 2022	Y	None
IAS 16	Amendment: Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022	Y	None
IAS 37	Amendment: Onerous Contracts – Costs of Fulfilling a Contract	January 1, 2022	Y	None
AIP: IFRS 1 IFRS 9 IAS 41	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities Agriculture – Taxation in fair value measurements	January 1, 2022	Y	None
IAS 1	Amendment: Classification of Liabilities as Current or Non-current	Not earlier than January 1, 2024	N	Limited
IFRS 17	Insurance Contracts	January 1, 2023	Y	None
IAS 8	Amendment: Definition of Accounting Estimations	January 1, 2023	Y	Limited
IAS 1 and IFRS Practice Statement 2	Amendment: Disclosure of Accounting Policies	January 1, 2023	Y	Limited
IAS 12	Amendment: Deferred Tax related to Assets and Liabilities arising from a single Transaction	January 1, 2023	Y	None
IFRS 16	Amendment: Lease Liability in a Sale and Leaseback	January 1, 2024	N	None
IFRS 10 / IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed[1]		None

1 In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

2. Summary of significant accounting policies

Valuation principles

The Financial Statements have been prepared on the historical cost basis unless indicated otherwise below.

Affiliated Companies

Affiliated Companies are Siemens AG and its subsidiaries which are directly or indirectly controlled by Siemens AG.

Functional and presentational currency

The Company's functional and presentational currency is euro, as this is the currency of the primary economic environment in which the Company operates. All financial information presented in euro has been rounded to the nearest million, unless otherwise stated. The consequence is that the rounded amounts may not add up to the rounded total in all cases.

Transactions in foreign currencies are initially recorded at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using period-end exchange rates. All differences are taken to the Statement of Comprehensive Income, Non-trading foreign exchange results.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The exchange rates of the currencies used in this report were as follows:

		Year-end exchange rate 1 € quoted into currencies specified below	
			September 30,
Currency	**ISO code**	**2022**	2021
British pound	GBP	0.8830	0.8605
U.S. dollar	USD	0.9748	1.1579

Income Taxes

The Company applies IAS 12, Income Taxes. Current tax is calculated based on the profit (loss) of the fiscal year and in accordance with local tax rules and represents the expected tax payable or receivable for the fiscal year. Additional tax payments respectively tax refunds for prior years are also taken into account.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the statement of financial position carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the Statement of Comprehensive Income, unless related to items directly recognized in equity in the period the new laws are substantively enacted. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized on the Statement of Financial Position when the Company becomes a party to the contractual obligations of the instrument.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount of financial assets measured at amortized cost. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that do not meet the requirements of SPPI test are classified and measured at fair value through profit or loss, irrespective of the business model.

For purposes of subsequent measurement, the Company uses only the following two categories:

- Financial assets at amortized cost (debt instruments) are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost include Cash and cash equivalents, Receivables from Affiliated Companies and Other financial assets.
- Financial assets at fair value through profit or loss are subsequently measured at fair value with net changes in fair value recognized in the Statement of Comprehensive Income. This category includes Derivative financial instruments.

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e., removed from the company's Statement of Financial Position) when: the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset. SFM receives/pays compensation for loans issued to Affiliated Companies which are early terminated. These amounts are presented in Other interest income and Other interest expenses.

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). The presumption is that the credit risk on a financial asset has increased significantly since initial recognition when the credit rating of Siemens AG deteriorates. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The calculations are primarily based on information which is available in the market (e.g. ratings) as well as on internal and external information on recovery rates.
Since the Company's (current and non-current) receivables mainly consist of balances due from the Affiliated Companies, valuation and collectability of these receivables depends upon the financial position and creditworthiness of the involved companies and of the Siemens Group as a whole. The Receivables of the Affiliated Companies are mainly related to intergroup financing, therefore the creditworthiness is evaluated quarterly.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value minus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs.

For purposes of subsequent measurement, the Company uses only the following two categories:

- Financial liabilities measured at amortized cost using the effective interest rate method. The Company's financial liabilities at amortized cost include Liabilities to Affiliated Companies, payables, issued notes and bonds, loans from banks and Commercial papers.
- Financial liabilities measured at fair value through profit or loss. The Company's financial liabilities at fair value include derivative financial instruments.

Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount of financial liabilities measured at amortized cost. The amortization is included in Interest expenses in the Statement of Comprehensive Income.

The (dis-) agio and transaction costs are depreciated using the effective interest method, based on the lifecycle of each of the items involved. Due to practical reasons the depreciation of transaction costs is effectively calculated using the straight-line method. The depreciation of trans-action costs under the straight-line method does not materially differ from the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.
When the contractual terms and conditions of a financial liability are changed, depending on the extent of the change, different accounting consequences are triggered.
In case of non-substantial changes of the terms and conditions those changes are considered as a modification. Any difference between the original and adjusted carrying amount triggered by a modification is recognized as a gain or loss at the time of the modification. Any costs or fees incurred are adjusting the carrying amount of the financial liability and are amortized over the remaining time of the financial liability.
In case the contractual terms and conditions are changed substantially, this change triggers a derecognition of the original financial liability and the recognition of a new financial liability. Any costs or fees in connection with the original liability incurred are recognized as a gain or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.
In order to assess whether the change of the contractual terms and conditions of a financial liability is substantial, besides fundamental changes in the term and conditions, the present value of the adjusted financial liability is compared to the present value of the unadjusted, original financial liability both discounted at the original effective interest rate. A change is considered substantial if the present value of the cash flows of the adjusted financial liability, including any fees paid net of any fees received, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.
The Company receives/pays compensation for loans borrowed from Affiliated Companies which are early terminated. These amounts are presented in Other interest income and Other interest expenses.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Currency contracts include forward contracts and currency swaps. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of interest rate swap contracts is estimated by discounting expected future cash flows using current market interest rates and a yield curve over the remaining term of the instrument. The fair value of forward foreign exchange contracts is based on forward exchange rates.

Derivative financial instruments are classified as financial assets or liabilities measured through profit and loss unless they are designated as hedging instruments in a fair value hedge relationship, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognized periodically in net income.
Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. In accordance with the principles of IFRS 13 the Company reflects counterparty risk on derivative assets (CVA) and own non-performance risk on derivative liabilities (DVA).

In order to manage interest rate risks, all fixed rate notes and bonds are either swapped to floating or lent with the same structure to Affiliated Companies. To reduce periodic earnings volatility caused by fair value changes of the swaps, the Company applies hedge accounting for transactions, which meet the specified criteria. The carrying amount of the hedged item is adjusted by the gain or loss attributable to the hedged risk. For designated and qualifying fair value hedges, the changes in the fair values of the hedging derivatives and the hedged items are recognized in the Statement of Comprehensive Income in Fair value changes of financial instruments. The fair value gains and losses on interest bearing derivative financial instruments excludes interest. For hedged items carried at amortized cost, the base adjustment is amortized such that it is fully amortized by the maturity date of the hedged item. The amortization is recognized in the Statement of Comprehensive Income in Interest expenses.

At inception of the hedge relationship, the Company formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship. Also, at the inception of the hedge relationship, a formal assessment is performed to ensure that the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. Formally, hedge effectiveness is assessed quarterly. A hedge is expected to be effective if the changes in fair value attributable to the hedged risk during the period for which the hedge is designated are expected to offset each other.
The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).
If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the fair value is amortized over the remaining term of the original hedged item using the effective interest method. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the Statement of Comprehensive Income, Interest expenses.

Cash and cash equivalents

Cash and cash equivalents, including the current account with Siemens AG, are measured at amortized cost.

Related party transactions

The transactions of the Company mainly comprise transactions with Affiliated Companies and are executed on an “at arm’s length” basis. SFM did not enter into any transactions with members of the Management Board nor with members of the Supervisory Board.

Revenue recognition

Interest revenues are recognized and accounted for in the period to which they relate. The interest revenues are recognized using the effective interest rate.

Interest expenses

Interest expenses are recognized and accounted for in the period to which they relate. Interest is recognized using the effective interest method.

Negative interest income and Negative interest expenses

Some interest rates have been set below zero. This leads to the situation that the Company pays interest for bank deposits and Receivables from Affiliated Companies and receives interest for Liabilities to Affiliated Companies. Negative interest income and Negative interest expenses are recognized and accounted for in the period to which they relate. They are recognized using the effective interest rate. The negative interest is presented under Other financial income and Other financial expenses in the profit and loss statement and in Note 4.

Cost recognition

Expenses are recognized and accounted for in the period to which they relate.

Dividends

Dividends proposed by the Management Board are not recorded in the Financial Statements until the dividends are declared.

Cash pool

The form of the cash pools is zero-balancing where all account balances are automatically transferred to one control account held by Siemens AG. Funds moving into these accounts create intercompany balances between the Company and Siemens AG. In the Financial Statements, these intercompany balances are included in Cash and cash equivalents under the title of Current account.

Statement of Financial Position

The Company presents assets and liabilities in the Statement of Financial Position in order of liquidity since this presentation is more reliable and relevant for the Company than the current/non-current classification. The presentation of the assets in the Statement of Financial Position is in order of the amount of time it would usually take to convert them into cash. The presentation of the liabilities in the Statement of Financial Position is in order based on the urgency of the payment.

Statement of Cash Flows

The Statement of Cash Flows shows how the Cash and cash equivalents of the Company have changed during the course of the fiscal year as a result of cash inflows and cash outflows. Cash flows are classified into cash flows from operating, investing and financing activities.

The Company's purpose is to assist the financing of the activities conducted by the Affiliated Companies. The assistance is considered to be an operating activity of the Company. The cash flows from operating activities are computed using the indirect method, starting from the profit before taxes of the Company. Under this method, changes in assets and liabilities relating to operating activities are adjusted for currency translation effects. The cash flows from investing and financing activities are based on actual payments and receipts.

The accounting policies set out above have been applied consistently to all periods presented in these Financial Statements.

3. Management estimates and judgements

Certain accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on financial condition or results of operations. Critical accounting estimates could also involve estimates where management reasonably could have used a different estimate in the current accounting period. Although the number and complexity of management estimates and judgements are limited in these accounts, management cautions that future events often vary from forecasts and that estimates routinely require adjustment. The impact of the war in Ukraine and COVID-19 on estimates and judgements is taken into account.

The effects of a war may have material uncertainty for the economy. At the date of issuance of this report, SFM has no reason to expect that the war in Ukraine has additional impact on the Company.

The COVID-19 crisis has affected the markets worldwide. Key uncertainties of the crisis are its duration and the economic cost of the various COVID-19 measures. However, so far the Company has not seen an impact on its business. Given that SFM is economically interrelated with its parent company Siemens AG, the Company directly benefits from Siemens AG's own COVID-19 mitigation measures.
Based on the latest developments as well as the fact that all debt instruments of SFM are unconditionally and irrevocably guaranteed by Siemens AG (whose credit rating is A1/A+ according to Moody's and Standard & Poor's, which is unchanged since the publication of the Annual Report FY2021), the Company expects the impact on its business remains limited. Insofar there is an impact, this impact is included in the estimates and judgements described below. At the date of issuance of this report, the Company has no reason to believe that the impact of COVID-19 poses a threat to its ability to continue as a going concern.

Fair value of financial instruments

There are three levels of fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from quoted prices in active markets (Level 2 and 3), they are determined using valuation techniques including the discounted cash flows model. The fair values of derivative interest rate contracts (e.g. interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates (Reuters) and yield curve over the remaining term of the instrument. The fair value of forward foreign exchange contracts is based on forward exchange rates. The inputs to these models are taken from observable markets where possible (Level 2), but where this is not feasible, a degree of judgement is required in establishing fair values (Level 3). The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 17 for further information.

4. Interest income and expenses

Interest income and expenses (in millions of €)	**Fiscal year ended September 30,** 2022	2021
Interest income on Receivables from Affiliated Companies	789.3	681.8
Other interest income	—	12.1
Interest related income	23.0	3.5
Interest income	**812.3**	**697.4**
Other financial income	**1.5**	**0.2**
Interest expense on financial debt	(862.6)	(753.4)
Therein:		
Amortization of (dis-)agio	*(7.5)*	*1.2*
Amortization of transaction cost	*(15.8)*	*(16.2)*
Interest expense on Liabilities to Affiliated Companies	(0.1)	(0.0)
Other interest expenses	—	—
Interest related expense	—	—
Interest result on interest rate swaps [1]	76.3	78.9
Interest expenses	**(786.4)**	**(674.5)**
Other financial expenses	**(4.1)**	**(9.2)**
Net interest income (expenses)	**23.3**	**13.9**

[1] As the Interest rate swaps are used as interest hedging instruments for long-term debt the interest income and expenses are displayed as a net value within the position Interest expenses in the Statement of Comprehensive Income.

The Company receives/pays compensation for loans to and deposits from Affiliated Companies which are early terminated. These amounts are presented in Other interest income and Other interest expenses.

SFM applies the Siemens AG worldwide policy for fixing interest rates for receivables from and liabilities to Affiliated Companies at arms' length prices. The Company entered into an agreement with Siemens AG limiting the capital at risk for the Company and ensuring fair, arm's length interest compensation for activities performed. When the total actual interest result differs from the total interest result according to the agreement the difference is settled following this agreement and stated as Interest related income or Interest related expense.

Some market interest rates have been set below zero. This leads to the situation that the Company has to pay interest for bank deposits and Receivables from Affiliated Companies which is presented in Other financial expenses (negative interest income), and receives interest on bank borrowings and for Liabilities to Affiliated Companies, which is presented in Other financial income (negative interest expenses). The positions Other financial income and Other financial expenses only consist of negative interest expenses and negative interest income, respectively.

The total interest result varies due to market interest changes, changes in portfolio of loans and borrowings and the agreement with Siemens AG.

5. Fair value changes of financial Instruments

Derivatives	**Fiscal year ended September 30,**	
(in millions of €)	2022	2021
Change in fair value of hedging instruments	*(230.9)*	*(124.1)*
Change in fair value of hedged items	*228.2*	*123.4*
Ineffective portion of fair value hedges	(2.7)	(0.7)
Fair value changes of currency contracts	(0.0)	(0.0)
Total Derivatives	**(2.7)**	**(0.7)**

The effective portion of fair value hedges consists of the change in the fair values of the hedging instruments (interest rate swaps) and the change in the fair values of the hedged item (hedged part of notes, bonds and loans from banks). The presented ineffective portion is mainly caused by the mismatch in market values between the hedged item and the hedging instruments, due to the use of the fixed rate in the hedged item and the floating rate in the hedging instruments. In addition, a credit value adjustment on interest rate swaps is considered.

6. Non-trading foreign exchange results

Currency results	**Fiscal year ended September 30,**	
(in millions of €)	2022	2021
Currency result of assets	3,907.6	597.0
Currency result of debt	(3,916.8)	(598.5)
Other currency result	0.0	0.0
Total Currency result	**(9.2)**	**(1.5)**

The currency result of the Company is due to the positions in foreign currencies such as U.S. dollar (US$) and British pound (£) and the volatility in the currency exchange rates. The total currency results must be considered in conjunction with Fair value changes of currency contracts as mentioned in Note 5.

7. Other general expenses

The other general expenses mainly relate to costs from the regional company Siemens Nederland N.V. related to the staff working for SFM. The total general expenses for the fiscal year 2022 amounted to €1.6 million (2021: €1.3). The Company recognized an allowance for expected credit losses of €–0.5 million (2021: €–0.3 million) according to IFRS 9 in respect of Receivables from Affiliated Companies. The other general expenses also include the costs for Ernst & Young Accountants LLP of €17,980 excl. VAT, which relate completely to group reporting (2021: €19,230) and Mazars Accountants N.V. of €60,591 excl. VAT, which relate partly to statutory audit costs of €47,591 excl. VAT (2021: €49,062) and which relate partly to audit related costs (DIP) €13,000 excl. VAT (2021: €12,750).

8. Income taxes

Taxes are based on the applicable tax laws and rates. Insofar as valuations for tax purposes differ from the principles as applied in these Financial Statements, and these result in a deferred tax position, an asset or a liability is recognised for these positions, calculated according to the statutory tax rate applicable as at reporting date. The taxation on result comprises both current taxes and deferred taxes, taking account of tax facilities and non-deductible costs.

Income tax benefit (expenses)	**Fiscal year ended September 30,**	
(in millions of €)	2022	2021
Current tax expense	(3.2)	(2.9)
Deferred tax expense	0.7	0.3
Total Income tax benefit (expenses)	**(2.5)**	**(2.6)**

For fiscal years ended September 30, 2022 and 2021, the Company is subject to Dutch corporate income tax.
The Dutch statutory corporate income tax rate changed as per January 1, 2022 to 25.8% (2021: 25.0%). For financial years not coinciding with the calendar year, a mixed rate applies. For the Company this means that the statutory tax rate is 25.6% for the current year. Deferred taxes are measured at 25.8%, the tax rate that is expected to be applied to temporary differences when they reverse, using the enacted tax rates at the reporting date.

For the calculation of the income tax expenses, in accordance with the statutory Dutch income tax rate, there are no material differences. The position is calculated as follows:

Reconciliation of the income tax benefit (expenses)	**Fiscal year ended September 30,**	
(in millions of €)	2022	2021
Profit (loss) before taxes	9.8	10.4
whereof current result with corporate tax rate of 25,6%	*12.7*	*11.5*
whereof deferred result with corporate tax rate of 25,8%	*(2.9)*	*(1.1)*
Income tax using corporate tax rate	(2.5)	(2.6)
Differences due to changes in taxable amount/change in tax rate	(0.0)	—
Income tax benefit (expenses)	**(2.5)**	**(2.6)**

The effective tax rate is 25.6% (2021: 25.0%).

Since October 1, 2019 SFM is part of a fiscal unity headed by Siemens International Holding B.V. As a consequence, the Company is liable for any Dutch corporate income tax debt arising from any member of this fiscal unity after October 1, 2019.

The change in the income tax consists of the following:

Tax receivables (liabilities)		**September 30,**
(in millions of €)	2022	2021
Balance at beginning of the year	(0.4)	(0.2)
Current income tax	(3.2)	(2.9)
Tax settlement within fiscal unity	3.1	2.7
Balance at the end of the year	**(0.6)**	**(0.4)**

The balance at the end of the fiscal year consist entirely of positions with a related party within the fiscal unity.

The positions Tax settlement within fiscal unity and Income tax paid to tax authorities of the table Tax receivables (liabilities) (Note 8) result in €–3.1 million (2021: €–2.7 million) which is presented in the Statement of Cash Flows item Income taxes (paid) received.

The deferred tax position refers to the temporary difference in valuation of financial instruments.
The Company applies Hedge Accounting for financial instruments designated as hedging instruments in a fair value hedge relationship. For tax purposes this result is not considered.

The change in the deferred tax position consists of the following:

Deferred tax asset/liability		**September 30,**
(in millions of €)	2022	2021
Balance at beginning of the fiscal year	(0.2)	(0.5)
Change of Tax rate	(0.0)	—
Deferred tax benefit (expense) for the fiscal year	0.7	0.3
Balance at the end of the year	**0.5**	**(0.2)**

9. Cash and cash equivalents

Cash and cash equivalents relate completely to the current account with Siemens AG. As the Company participates in the Siemens cash pool, the bank balances of SFM are transferred to the Siemens cash pool on a daily basis.
The balances remain at the disposal of the Company and are readily convertible to known amounts of cash.

As per September 30, 2022 the Company has a total Cash and cash equivalents position of €17.9 million (2021: €30.0 million).

10. Receivables from Affiliated Companies

Receivables from Affiliated Companies		**September 30,**
(in millions of €)	2022	2021
Interest accruals	139.4	121.3
Loans < 1 year	4,958.5	6,393.3
Loans > 1 year	42,214.8	37,856.2
Expected credit losses < 1 year and > year	(4.5)	(4.0)
Total Receivables from Affiliated Companies	**47,308.2**	**44,366.8**

In fiscal years ended September 2022 and 2021 there were no impairment of receivables, except for the ECL provision.

The currency result on Cash and cash equivalents and positions with Affiliated Companies (Note 6) and the change in the Receivables from Affiliated Companies excluding Interest accruals and excluding Expected credit losses results in €983.9 million (2021: €–5,235.9 million) which is presented in the Statement of Cash Flows item Change in Receivables from Affiliated Companies.

11. Derivative financial instruments

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts.

Derivative financial instruments	September 30, 2022			September 30, 2021		
(in millions of €)	Assets	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
Derivatives used as fair value hedges						
Interest rate swaps < 1 year	—	—	—	—	—	—
Interest rate swaps > 1 year	93.5	—	1,795.2	324.5	—	1,511.4
Total	**93.5**	**—**	**1,795.2**	**324.5**	**—**	**1,511.4**
Total Derivatives financial instruments	**93.5**	**—**	**1,795.2**	**324.5**	**—**	**1,511.4**

As per September 30, 2022, all interest rate swaps are designated as hedging instruments in a fair value hedge relationship. The arrangements have been entered into to swap the fixed interest on long-term debt into floating interest.

12. Other financial assets

The Other financial assets comprise the net interest accrual of interest rate swap contracts with a positive fair value and other financial assets. The total amounts are due within one year.

Other financial assets		**September 30,**
(in millions of €)	2022	2021
Interest accrual Interest rate swaps	6.4	9.8
Other miscelaneous receivables < 1yr	—	—
Total Other financial assets	6.4	9.8

The change in the Derivative financial instruments (Note 11) and the change in Total Other financial assets results in €234.4 million (2021: €124.1 million) which is presented in the Statement of Cash Flows item Change in Derivative financial instruments.

13. Liabilities to Affiliated Companies

Liabilities to Affiliated Companies		**September 30,**
(in millions of €)	2022	2021
interest accruals	(0.0)	(0.0)
Borrowings < 1 yr	(5.2)	(4.2)
Borrowings > 1 yr	—	—
Other Liabilities to Affiliated Companies	—	—
Total Liabilities to Affiliated Companies	(5.2)	(4.2)

The change in the Liabilities to Affiliated Companies result in €1.0 million (2021: €–2.6 million) which is presented in the Statement of Cash Flows item Change in Liabilities to Affiliated Companies.

14. Debt

Debt		**September 30,**
(in millions of €)	2022	2021
Notes and bonds < 1 year	(4,809.2)	(5,857.5)
Notes and bonds > 1 year	(40,842.0)	(37,344.9)
Total Notes and bonds	**(45,651.2)**	**(43,202.4)**
Loans from banks < 1 year	—	(431.8)
Loans from banks > 1 year	(1,525.7)	(863.3)
Total Loans from banks	**(1,525.7)**	**(1,295.1)**
Total Debt	(47,176.9)	(44,497.5)

As of September 30, 2022, the weighted average interest rate for loans from banks was 3.2% (2021:0.5%) and the weighted average interest rate for notes and bonds was 2.0% (2021: 1.8%).

Debt carrying amount	September 30,	
(in millions of €)	2022	2021
Notes, bonds and loans from banks	(47,257.1)	(44,336.3)
Change in fair value of hedged item [1]	(90.9)	(319.5)
Other financial indebtedness	171.1	158.3
Therein:		
Unamortized portion of (dis-)agio	*85.6*	*67.6*
Unamortized portion of transaction costs	*85.5*	*90.7*
Total Debt	**(47,176.9)**	**(44,497.5)**

[1] The Change in fair values of the hedged items included hedged part of notes, bonds and loans from banks

Details of the Company's instruments			30 September, 2022		30 September, 2021	
(in millions of €)			notional amount	carrying amount €	notional amount	carrying amount €
2.75% 2012/2025 GPB fixed-rate instruments	1	£	350.0	395.9	350.0	406.1
3.75% 2012/2042 GPB fixed-rate instruments	1	£	650.0	726.7	650.0	745.3
2.875% 2013/2028 EUR fixed-rate instruments	1	€	1,000.0	998.3	1,000.0	998.0
3.5% 2013/2028 US$ fixed-rate instruments	1	US$	100.0	101.4	100.0	85.2
0.375% 2018/2023 EUR fixed-rate instruments	1	€	1,000.0	999.3	1,000.0	998.6
1.0% 2018/2027 EUR fixed-rate instruments	1	€	750.0	747.4	750.0	746.9
1.375% 2018/2030 EUR fixed-rate instruments	1	€	1,000.0	995.1	1,000.0	994.5
0.3% 2019/2024 EUR fixed-rate instruments	1	€	750.0	749.6	750.0	749.3
0.9% 2019/2028 EUR fixed-rate instruments	1	€	650.0	647.6	650.0	647.1
1.25% 2019/2031 EUR fixed-rate instruments	1	€	800.0	796.3	800.0	795.8
1.75% 2019/2039 EUR fixed-rate instruments	1	€	800.0	792.1	800.0	791.7
0.0% 2019/2024 EUR fixed-rate instruments	1	€	500.0	501.7	500.0	502.5
0.125% 2019/2029 EUR fixed-rate instruments	1	€	1,000.0	994.6	1,000.0	993.8
0.5% 2019/2034 EUR fixed-rate instruments	1	€	1,000.0	991.9	1,000.0	991.2
EUR 3m EURIBOR+0.7% 2019/2021 EUR floating-rate instruments	1	€	—	—	1,250.0	1,251.1
0.0% 2020/2023 EUR fixed-rate instruments	1	€	1,250.0	1,250.5	1,250.0	1,251.8
0.0% 2020/2026 EUR fixed-rate instruments	1	€	1,000.0	998.4	1,000.0	997.9
0.25% 2020/2029 EUR fixed-rate instruments	1	€	1,000.0	997.3	1,000.0	996.8
0.5% 2020/2032 EUR fixed-rate instruments	1	€	750.0	747.8	750.0	747.6
1.0% 2020/2025 GBP fixed-rate instruments	1	£	850.0	960.9	850.0	985.3
0.125% 2020/2022 EUR fixed-rate instruments	1	€	—	—	1,500.0	1,498.5
0.250% 2020/2024 EUR fixed-rate instruments	1	€	1,000.0	998.5	1,000.0	997.7
0.375% 2020/2026 EUR fixed-rate instruments	1	€	1,000.0	998.4	1,000.0	998.0
0.875% 2020/2023 GBP fixed-rate instruments	1	£	450.0	509.1	450.0	521.6
0.625% 2022/2027 EUR fixed-rate instruments	1	€	500.0	496.9	—	—
1.00% 2022/2030 EUR fixed-rate instruments	1	€	750.0	745.9	—	—
1.25% 2022/2035 EUR fixed-rate instruments	1	€	750.0	738.5	—	—
2.25% 2022/2025 EUR fixed-rate instruments	1	€	1,000.0	997.4	—	—
2.5% 2022/2027 EUR fixed-rate instruments	1	€	500.0	498.6	—	—
2.75% 2022/2030 EUR fixed-rate instruments	1	€	500.0	496.8	—	—
3.0% 2022/2033 EUR fixed-rate instruments	1	€	1,000.0	996.6	—	—
Total Debt Issuance Programme				**22,869.5**		**20,692.3**

6.125% 2006/2026 US$ fixed-rate instruments	2	US$	1,750.0	1,883.6	1,750.0	1,828.0
2.90% 2015/2022 US$ fixed-rate instruments	1	US$	—	—	1,750.0	1,510.9
3.25% 2015/2025 US$ fixed-rate instruments	1	US$	1,500.0	1,536.3	1,500.0	1,292.3
4.40% 2015/2045 US$ fixed-rate instruments	1	US$	1,750.0	1,776.3	1,750.0	1,493.2
2.00% 2016/2023 US$ fixed-rate instruments	1	US$	750.0	768.5	750.0	646.1
2.35% 2016/2026 US$ fixed-rate instruments	1	US$	1,700.0	1,739.7	1,700.0	1,463.3
3.30% 2016/2046 US$ fixed-rate instruments	1	US$	1,000.0	1,018.3	1,000.0	856.2
US$ 3m LIBOR+0.61% 2017/2022 US$ floating-rate instruments	1	US$	—	—	850.0	733.9
2.70% 2017/2022 US$ fixed-rate instruments	1	US$	—	—	1,000.0	863.2
3.125% 2017/2024 US$ fixed-rate instruments	1	US$	1,000.0	1,025.0	1,000.0	862.3
3.40% 2017/2027 US$ fixed-rate instruments	1	US$	1,250.0	1,279.8	1,250.0	1,076.6
4.20% 2017/2047 US$ fixed-rate instruments	1	US$	1,500.0	1,526.5	1,500.0	1,283.4
0.4% 2021/2023 US$ fixed-rate instruments	1	US$	1,250.0	1,281.8	1,250.0	1,078.0
Compounded SOFR+0.43% 2021/2024 US$ floating-rate Instruments	1	US$	1,000.0	1,025.2	1,000.0	862.5
0.65% 2021/2024 US$ fixed-rate instruments	1	US$	1,500.0	1,537.6	1,500.0	1,293.5
1.2% 2021/2026 US$ fixed-rate instruments	1	US$	1,750.0	1,790.5	1,750.0	1,505.4
1.7% 2021/2028 US$ fixed-rate instruments	1	US$	1,250.0	1,277.4	1,250.0	1,074.0
2.15% 2021/2031 US$ fixed-rate instruments	1	US$	1,750.0	1,787.7	1,750.0	1,503.2
2.875% 2021/2041 US$ fixed-rate instruments	1	US$	1,500.0	1,527.5	1,500.0	1,284.1
Total US$ Bonds				**22,781.7**		**22,510.1**
Total instruments				**45,651.2**		**43,202.4**

[1] Instruments not designated in a hedge accounting relationship measured at amortized cost
[2] instruments designated in a hedge accounting relationship measured at amortized cost with a fair value basis adjustment for the hedged risk
All instruments are guaranteed by Siemens AG.

Debt Issuance Programme

Together with Siemens AG and Siemens Capital Company LLC, the Company has agreements with financial institutions under which it may issue instruments up to €30.0 billion. As of September 30, 2022, €22.9 billion (2021: €20.7 billion) in notional amounts are issued and outstanding.

During fiscal year 2022 the following instruments matured and were redeemed at face value as due: the 3m EURIBOR +0.7% 2019/2021 EUR floating-rate instruments of €1.3 billion (as of December 17, 2021) and the 0.125% 2020/2022 EUR fixed-rate instruments €1.5 billion (as of June 05, 2022).

In February 2022 the Company issued instruments totalling €2.0 billion in three tranches: 0.625% €0.5 billion fixed-rate instrument due February 2027; 1.000% €0.75 billion fixed-rate instrument due February 2030 and 1.250% €0.75 billion fixed-rate instrument due February 2035.
In September 2022 the Company issued instruments totalling €3.0 billion in four tranches: 2.25% €1.0 billion fixed-rate instrument due March 2025; 2.5% €0.5 billion fixed-rate instrument due September 2027; 2.75% €0.5 billion fixed-rate instrument due September 2030 and 3.0% €1.0 billion fixed-rate instrument due September 2033.

US$ Bonds

The 3m LIBOR+margin 2017/2022 US$ floating-rate instruments of US$0.9 billion (€0.8 billion as of March 16, 2022), the 2.70% 2017/2022 US$ fixed-rate instruments of US$1.0 billion (€0.9 billion as of March 16, 2022) and 2.90% 2015/2022 US$ fixed-rate instruments of US$1.750 billion (€1.6 billion as of May 27, 2022) were matured and redeemed.

Term loans

Details of Term loans		30 September, 2022		30 September, 2021	
(in millions of €)		notional amount	carrying amount €	notional amount	carrying amount €
Fixed rate 2021/2022 USD term loan	US$	—	—	150.0	129.5
Fixed rate 2021/2022 USD term loan	US$	—	—	350.0	302.3
USD 3m LIBOR + margin 2020/2025 USD term loan	US$	500.0	512.8	500.0	431.5
USD 3m LIBOR + margin 2019/2024 USD term loan	US$	500.0	512.9	500.0	431.8
EUR 3m EURIBOR + margin 2021/2024 term loan	€	500.0	500.0	—	—
Total Term loans			**1,525.7**		**1,295.1**

In December 2021 the Company signed a new term loan facility agreement with an external bank totalling €0.5 billion (as of December 15, 2021). The new facility has a term of three years, expiring in December 2024.
In addition, in March 2022, a US$0.5 billion term loan facility maturing in fiscal year 2024 was extended until 2025 by using the last extension option.

In February 2022 two term loan facility agreements with an external bank totalling US$0.5 billion (€0.4 billion as of February 7, 2022) matured. The Company did not use the extension option of one year.

The total amount outstanding of the debt instruments of the table Details of the Company's instruments and total amount outstanding of the term loans of the table Details of term loans results in €–47,176.9 million (2021: €–44,497.5 million) which is presented in the Statement of Financial Position item Debt.

Credit facilities

As of September 30, 2022, SFM participates in two credit facility programs of Siemens AG under which the Company may draw up to €7.0 billion and €450 million, respectively. The €450 million revolving bilateral credit facility was extended from September 2022 to September 2023. The Company has not utilized these facilities so far.

Commercial Paper Programme

On April 4, 2007 Siemens AG, Siemens Capital Company LLC and Siemens Financieringsmaatschappij N.V. established an US$9.0 billion global Commercial Paper Programme for the issuance of commercial paper. In the fiscal year 2022 the Company issued no Commercial Papers (2021: 0) under this program.

15. Other financial liabilities

The total amount of Other financial liabilities is due within one year.

Other financial liabilities		September 30,
(in millions of €)	2022	2021
Other financial liabilities	(164.4)	(148.9)
Financial liabilities (<1 year)	(0.1)	(0.1)
Total Other financial liabilities	**(164.5)**	**(149.0)**

Other financial liabilities refer completely to the accrued interest on notes, bonds and loans from banks.

16. Equity

Siemens Financieringsmaatschappij N.V.'s authorized share capital is divided in 50,000 shares with a nominal value of €1,000 each, of which 10,256 shares have been issued and fully paid in. All shares are held by Siemens AG. During the fiscal year 2022, there were no movements in the number of shares. The share premium reserve comprises additional paid-in capital on the issue of the shares.

Retained earnings are available for distribution upon decision of the General Meeting. The holders of the shares are entitled to execute the rights under the Netherlands Civil Code without any restrictions.
Undistributed profit comprises the profit for the actual period. For the fiscal year 2022, the Management Board and the Supervisory Board propose to pay dividend of €7.3 million which is €711 per share. Payment of any dividend is contingent upon approval at the General Meeting. For the fiscal year 2021 a dividend of €7.8 million was paid as profit distribution for the fiscal year ended September 30, 2021.

Solvency

Given the objectives of the Company, SFM is economically interrelated with the parent company, Siemens AG, Germany. In assessing the solvency and general risk profile of the Company also the solvency of Siemens AG as a whole needs to be considered. The structure and organisation of the Company are such that interest, foreign exchange, market, credit and operational risks to the Company are strictly limited in design. Receivables from Affiliated Companies are priced on an "at arm's length" basis. All issued shares – fully held by the parent company – are part of the SFM's capital management objectives.

Siemens AG's corporate credit ratings:

	September 30, 2022		September 30, 2021	
	Moody's Investors Service	Standard & Poor's Rating Services	Moody's Investors Service	Standard & Poor's Rating Services
Long-term debt	A1	A+	A1	A+
Short-term debt	P-1	A-1+	P-1	A-1+

Capital Management

The Company's capital consists of issued and paid in share capital, share premium reserves and retained earnings as stated as Equity in the Statement of Financial position and the Statement of changes in Equity. The Company is set up to serve funding needs of Affiliated Companies following the strategy of the parent company, Siemens AG. The return on equity held by the Company is a key objective of neither the Company nor Siemens AG as the sole shareholder, as this results from the strategic decisions at group level relating to funding of local activities. The Company is not subject to externally imposed capital requirements. The Company did not change its objectives, policies and processes for capital management during the fiscal year.

17. Additional disclosures on financial instruments

This section gives a comprehensive overview of the significance of financial instruments for the Company and provides additional information on Statement of Financial Position items that contain financial instruments.

The following table presents the carrying amounts of each category of financial assets and liabilities:

Financial assets	**September 30, 2022**		September 30, 2021	
(in millions of €)	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents [1]	17.9	17.9	30.0	30.0
Receivables from Affiliated Companies [1]	44,822.8	47,308.2	48,093.9	44,366.8
Derivatives with a hedging relationship [3]	93.5	93.5	324.5	324.5
Other financial assets [1]	6.4	6.4	9.8	9.8
Total Financial assets	**44,940.6**	**47,426.0**	**48,458.2**	**44,731.1**
Financial liabilities				
Liabilities to Affiliated Companies	(5.1)	(5.2)	(4.2)	(4.2)
Notes and bonds [1] [2]	(42,959.5)	(45,651.2)	(46,717.7)	(43,202.4)
Loans from Banks [1]	(1,528.5)	(1,525.7)	(1,305.2)	(1,295.1)
Other financial liabilities [1]	(164.5)	(164.5)	(149.0)	(149.0)
Total Financial liabilities	**(44,657.6)**	**(47,346.6)**	**(48,176.1)**	**(44,650.7)**

1) Carrying amounts measured at amortized cost

The fair values of Cash and cash equivalents, Other financial assets and Other financial liabilities approximate their carrying amount largely due to the short-term maturities of these instruments. All new issued bonds, notes and loans from banks are subsequently measured at amortized cost. Due to their long maturity the carrying amounts of these instruments do not approximate their fair values. The Company lends the amounts of these instruments to the Affiliated Companies. Due to their long maturity the fair values of these receivables do not approximate their carrying amount. The fair value of these receivables (incl. expected credit losses) is estimated by discounting future cash flows using rates currently available for instruments with similar terms and remaining maturities (Level 2). The carrying amounts for notes and bonds and loans from banks also contain transaction costs, which are measured at amortized cost.

2) Carrying amounts measured at amortized costs with a fair value basis adjustment for the hedged risk

The basis adjustment of quoted notes and bonds is derived from price quotations at the balance sheet date (Level 2).

3) Carrying amounts measured at fair value

The calculation of fair values for derivative financial instruments depends on the type of instruments:

- **Derivative interest rate contracts:** The fair values of derivative interest rate contracts (e.g. interest rate swap agreements) are calculated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument.
- **Derivative currency contracts:** The fair value of currency contracts is based on forward exchange rates.

The following tables allocate the financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy as per September 30, 2022 and 2021.

				September 30, 2022
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments	—	**93.5**	—	**93.5**
Financial liabilities measured at fair value				
Derivative financial instruments	—	—	—	—

				September 30, 2021
(in millions of €)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments	—	**324.5**	—	**324.5**
Financial liabilities measured at fair value				
Derivative financial instruments	—	—	—	—

The levels of the fair value hierarchy and its application to our financial assets and liabilities are described below:

- Level 1**:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2**:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the fiscal year, no transfers between Level 1, Level 2 and Level 3 occurred.

As per September 30, 2022, no Level 3 investments are held, the movement analysis and sensitivity analyses on Level 3 investments are not applicable.

Net gains (losses) of financial instruments		**September 30,**
(in millions of €)	2022	2021
Derivative financial instruments in connection with a hedge accounting relationship	(230.9)	(124.1)
Notes, bonds and loans from banks	228.2	123.4
Derivative financial instruments not designated in a hedge accounting relationship	(0.0)	(0.0)
Total Net gains (losses) of financial instruments	**(2.7)**	**(0.7)**

Net gains (losses) of derivative financial instruments in connection with fair value hedges and net losses/gains on notes, bonds and loans from banks together present the ineffective portion of fair value hedges.
Net gains (losses) of derivative financial instruments not designated in a hedge accounting relationship consist of changes in the fair value of derivative financial instruments.

18. Financial risk management

As part of the Company's risk management program, a variety of derivative financial instruments is used to reduce risks resulting primarily from fluctuations in foreign exchange rates and interest rates. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for speculative purposes. For more information on these derivatives see also Notes 11 and 17.
The Company has exposure to the following risks:

- Foreign currency exchange rate risk
- Interest rate risk
- Liquidity risk
- Credit risk

Foreign currency exchange rate risk

Foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. In order to minimize exchange rate risks the Company seeks to lend and borrow in the same currency. Furthermore, the Company uses other currency contracts. All derivative financial instruments are recorded at fair value on the Statement of Financial Position and changes in fair values are charged to net income.

As per end of the fiscal year 2022, the U.S. dollar position and British pound position are caused by several bonds that serve to finance several loans to Affiliated Companies in the same currency. The total of these loans covers approximately the full value of the bonds in the respective currency. Therefore, the remaining foreign currency exposure is low.
The table below shows the foreign currency positions of the Company:

Currency (in millions of €)	30 September 2022 position	Currency swaps	30 September 2022 net position[1]	Effects of 10% rise in €	Effects of 10% decline in €	30 September 2021 net position[1]
British pound	5.2	0	5.2	-0.7	0.9	6.8
U.S. dollar	2.9	0	2.9	-0.3	0.3	1.9

[1] A positive amount is an asset: when euro gains in value the effect is negative on net income

During the fiscal year 2022, the outstanding net foreign currency position fluctuates. As a consequence, the currency result presented in Note 6 is not related to the outstanding position at the year end.
As the Company entered into an agreement with Siemens AG limiting the capital at risk for the Company and ensuring fair, arm's length interest compensation for activities performed, the sensitivity of the Company's results to changes in currency exchange rates is mitigated.

Interest rate risk

The Company's interest rate risk exposure is mainly related to notes and bonds. It arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such a risk either by lending onwards with the same structure to Affiliated Companies or by entering into interest rate derivative financial instruments such as interest rate swaps. Under the interest rate swap agreements the Company agrees to pay a variable rate of interest multiplied by a notional principle amount, and receive in return an amount equal to a specified fixed rate of interest multiplied by the same notional principal amount.

The Company had interest rate swap contracts to pay variable rates of interest (average rate of 3.44% and 0.79% as of September 30, 2022 and 2021, respectively) and received fixed rates of interest (average rate of 6.13% and 6.13% as of September 30, 2022 and 2021, respectively). The notional amount of indebtedness hedged as of September 30, 2022 amounts to €1.8 billion (2021: €1.5 billion). The notional amounts of these interest rate swap contracts mature at varying dates based on the maturity of the underlying hedged items.

In cases where the Company is lending to Affiliated Companies with a duration that differs from the duration of the notes and bonds including the swap a mismatch could lead to an interest rate risk. The average interest rate on receivables in the fiscal year ended September 30, 2022 was 1.75%% (2021: 1.64%). As the Company entered into an agreement with Siemens AG limiting the capital at risk for the Company and ensuring fair, arm's length interest compensation for activities performed, the sensitivity of the Company's results to changes in market interest rates is mitigated. The settlements for the Capital at Risk Agreement can be found in Note 4.

Assuming historical volatilities and correlations, a ten day holding period and a confidence level of 99.5% the interest rate VaR was €10.2 million as of September 30, 2022 (2021: €5.3 million). The interest rate risk results from the unrealized gains and losses out of hedge packages, which is not covered by the Limited Capital at Risk Agreement with Siemens AG. Although VaR is an important tool for measuring risk, the assumptions on which the model is based give rise to some limitations including the following. A ten day holding period assumes that it is possible to dispose of the underlying positions within this period. While this is considered to be a realistic assumption in almost all cases, it may not be valid during prolonged periods of severe market illiquidity. A 99.5% confidence level does not reflect losses that may occur beyond this level. There is a 0.5% statistical probability that losses could exceed the calculated VaR.

The use of historical data as a basis for estimating the statistic behavior of the relevant markets and finally determining the possible range of the future outcomes on the basis of this statistic behavior may not always cover all possible scenarios, especially those of an exceptional nature.

Liquidity risk

Liquidity risk results from the Company's potential inability to meet its financial liabilities when they become due, at reasonable costs and in a timely manner. The Company participates as issuer in a €30.0 billion Programme for the issuance of Debt Instruments (DIP) and in a US$9.0 billion global Commercial Paper Program, both established by Siemens AG. Siemens AG unconditionally and irrevocably guarantees all debt securities of the Company. The liquidity risk is considered to be low.

The tables below summarize the maturity profile of the Company's financial assets and liabilities, including derivative financial instruments as of September 30, 2022 and 2021, respectively, based on undiscounted cash flows for the respective upcoming fiscal years. The amounts include interest.

September 30, 2022 (in millions of €)	Receivables from Affiliated Companies [1] [2]	Liabilities to Affiliated Companies	Notes & Bonds	Bank loans	Interest Rate Swaps
Maturing during:					
2022-2023	6,055.8	(5.2)	(5,887.1)	(49.4)	61.3
2023-2024	7,208.0	—	(6,672.8)	(555.8)	61.3
2024-2025	5,652.2	—	(4,657.1)	(1,024.0)	61.3
2025-2026	6,244.4	—	(6,267.3)	—	9.0
2026-2027	5,275.7	—	(5,277.3)	—	—
Thereafter	25,979.2	—	(25,947.2)	—	—
Total	**56,415.3**	**(5.2)**	**(54,708.8)**	**(1,629.2)**	**192.9**

[1] The amounts of Receivables from Affiliated Companies exclude the allowance for expected credit losses in total amount of €4.5 million.

[2] Due to the business strategy of the Company no further split for financial liabilities shorter than one year is made.

September 30, 2021 (in millions of €)	Receivables from Affiliated Companies [1] [2]	Liabilities to Affiliated Companies	Notes & Bonds	Bank loans	Interest Rate Swaps
Maturing during:					
2021-2022	7,207.4	(4.2)	(6,741.2)	(438.9)	91.8
2022-2023	5,121.3	—	(5,172.8)	(5.8)	91.8
2023-2024	6,704.9	—	(5,900.7)	(867.3)	91.8
2024-2025	3,208.6	—	(3,276.4)	—	91.8
2025-2026	5,485.3	—	(5,545.4)	—	36.9
Thereafter	24,065.2	—	(23,872.6)	—	—
Total	**51,792.7**	**(4.2)**	**(50,509.1)**	**(1,312.0)**	**404.1**

[1] The amounts of Receivables from Affiliated Companies exclude the allowance for expected credit losses in total amount of €4.0 million

[2] Due to the business strategy of the Company no futher split for financial liabilities shorter than one year is made.

Credit risk

The Company is exposed to credit risk in connection with its significant size of loans granted to Affiliated Companies, which are located in the Netherlands, Germany and the United States, and its derivative instruments. Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations when due. Valuation and collectability of these receivables and instruments depend upon the financial position and creditworthiness of the companies involved and of Siemens AG as a whole. Receivables from Affiliated Companies are covered by a Limited Capital at Risk Agreement between Siemens AG and the Company mitigating the credit losses of those receivables to a maximum of €2 million.

The effective monitoring and controlling of credit risk is a core competency of Siemens AG's risk management system. Siemens AG has implemented a credit policy. Hence, credit evaluations and ratings are performed on all counterparties with an exposure or requiring credit beyond a centrally defined limit. Counterparty ratings, analyzed and defined by a designated Siemens AG department, and individual counterparty limits are based on generally accepted rating methodologies, the input from external rating agencies and Siemens AG's default experiences.

In addition, the Company recognizes an allowance for expected credit losses for Receivables from Affiliated Companies according to the General Approach of IFRS 9, which consists of a 3-stage model differentiating between 12-months expected credit losses and lifetime expected credit losses. Due to the fact that the Company's Receivables from Affiliated Companies are covered by the Limited Capital at Risk Agreement and the expected credit losses are calculated against Siemens AG, no change in the credit risk occurred during the year 2022. All calculations for the allowance for expected credit losses were based on the 12-month ECL model.

19. Claims and litigations

As per and since reporting date, the Company is not involved in any litigation matters.

20. Segment information

The Company has only a single reportable segment. The Company provides funding to Affiliated Companies. The main partners are a US treasury company, a Dutch treasury company and Siemens AG.

21. Related parties

The Company is the main funding party of the Affiliated Companies and offers finance solutions mainly for general purposes of the borrower. No amount is paid by the Company or any of the Affiliated Companies other than in the line of business. The Company lends the proceeds of issuances of bonds, notes and loans from banks to related parties only and are executed on an "at arm's length" basis (fixed interest rate plus a margin, LIBOR plus a margin, EURIBOR plus a margin and SOFR plus a margin). Receivables from Affiliated Companies are covered by a Limited Capital at Risk Agreement between Siemens AG and the Company mitigating the credit losses of those receivables to a maximum of €2 million.

The following table provides information about several positions between the Company and the related parties for the fiscal year ending September 30, 2022.

Cash and Cash equivalents	**September 30, 2022**		September 30, 2021	
(in millions of €)	Interest result [1]	Deposits	Interest result [1]	Deposits
Siemens AG	(0.1)	17.9	(0.4)	30.0

[1] Interest income and expenses are displayed as a net value within the Interest result position.

Receivables from Affiliated Companies	**September 30, 2022**		September 30, 2021	
(in millions of €)	Interest income	Loans	Interest income	Loans
Germany	115.8	4,448.0	100.4	5,682.6
The Netherlands	556.8	39,819.8	471.2	35,912.0
United States of America	116.6	2,901.0	110.2	2,650.9
Total	**789.2**	**47,168.8**	**681.8**	**44,245.5**

The receivable position with Affiliated Companies in Germany relates completely to positions with Siemens AG, the parent. The other positions relate to other related parties.

The total amount of Receivables from Affiliated Companies as of September 30, 2022 includes an allowance for expected credit losses in amount of €4.5 million (2021: €4.0 million).

Liabilities to Affiliated Companies	**September 30, 2022**		September 30, 2021	
(in millions of €)	Interest expenses	Deposits	Interest expenses	Deposits
The Netherlands	(4.0)	(5.2)	(7.9)	(4.2)
United States of America	—	—	(0.9)	—
Total	**(4.0)**	**(5.2)**	**(8.8)**	**(4.2)**

Interest related income (expenses)	**September 30, 2022**	September 30, 2021
(in millions of €)		
Siemens AG	23.0	3.5

Interest rate swaps with Affiliated Companies	**September 30, 2022**		September 30, 2021	
(in millions of €)	Net interest	Fair value	Net interest	Fair value
Siemens AG	21.9	27.1	22.5	93.0

Currency contracts with Affiliated Companies	**September 30, 2022**		September 30, 2021	
(in millions of €)	Net result	Fair value	Net result	Fair value
Siemens AG	(0.0)	—	(0.0)	—

The Company did not enter into any transactions with members of the Management Board nor with members of the Supervisory Board.

22. Remuneration Management Board and Supervisory Board

In fiscal year 2022, the remuneration of the Management Board in relation to activities performed in the entity amounted to €0.2 million (2021: €0.2 million. Since all personnel are employed by the regional company Siemens Nederland N.V., the remuneration of the Management Board is recharged by this entity to the Company.

The members of the Supervisory Board, received a remuneration of in total €20,000 (2021: €20,000) for account of the Company during the fiscal year.

23. Events after reporting date

As per and since reporting date there are no events to report.

24. Proposal for appropriation of the result

Pursuant to article 22 of the Articles of Association, it is proposed to appropriate the results of the fiscal year 2022 as follows:

Distribution of dividends	€	7,295,749.63
Adding to (extracting from) retained earnings	€	0.00

The Hague, December 6, 2022	The Hague, December 6, 2022
Siemens Financieringsmaatschappij N.V.	
The Supervisory Board	The Management Board
Dr. P. Rathgeb	G.J.J. van der Lubbe
Chairman	Managing Director
T. Hahn	K.E. Mitchell
	Managing Director
B.G. Trompert	

Other Information

Profit appropriation according to the Articles of Association

Article 22 of the articles of association reads as follows:

22.1 The company may make distributions to the shareholders and other persons entitled to the distributable profits, to the extent the equity of the company exceeds the paid-up and called-up part of the company's equity, plus the reserves which must be maintained under Dutch law.

22.2 Of the profits evidenced by the profit and loss accounts adopted by the General Meeting, the Supervisory Board may resolve to add an amount to the reserves of the company. The amount of the profits after such reservation shall be at the disposal of the General Meeting.

22.3 Payments of profit shall be made after confirmation of the annual accounts showing that such payment is permissible.

22.4 The company may make interim (profit-)distributions, to the extent that the provisions as set out in article 22.1 have been complied with as evidenced by an interim statement in conformity with Dutch law. The resolution of the General Meeting for interim (profit-)distributions is subject to the prior approval of the Supervisory Board.

The company shall deposit the interim statement at the office of the trade register within eight days after the day on which the resolution to distribute is published.

22.5 There shall be no distribution of profits on shares or depositary receipts for shares held by the company in its own capital.

22.6 In calculating each distribution, the shares held by the company in its own capital, or depositary receipts thereof, shall be disregarded.

22.7 The right to receive a distribution shall expire five years from the day on which such a distribution became payable.

Independent auditor's report

To the Supervisory Board, the Management Board and the Shareholder of Siemens Financieringsmaatschappij N.V.

Report on the audit of the financial statements for the year ended 30 September 2022 included in the annual report

Our opinion

We have audited the financial statements for the year ended 30 September 2022 of Siemens Financieringsmaatschappij N.V. In our opinion the accompanying financial statements give a true and fair view of the financial position of Siemens Financieringsmaatschappij N.V. for the year ended 30 September 2022, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the Statement of Financial Position for the year ended 30 September 2022;
- the following statements for the year ended 30 September 2022: Statement of Comprehensive Income, Changes in Equity and Cash Flows; and
- the Notes to the Financial Statements, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the company in accordance with the "EU Regulation on specific requirements regarding statutory audit of public-interest entities", the "Audit firms supervision act" (Wta), "Dutch Independence Standard regarding assurance engagements (ViO)" and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Dutch Code of Ethics (VGBA)".

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 237 million. The materiality is based on 0.5% of total assets. We use total assets given the company's main activity is issuing notes for the purpose of intra-group lending. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 3 million, which are identified during the audit, will be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to the risks of fraud and non-compliance with laws and regulations

The company's fraud risk assessment and response to fraud risks and non-compliance

We refer to section 'Risk Management' of the Management Board Report for management's fraud risk assessment.

As part of our audit, we have obtained an understanding of the company and it's environment, and assessed the company's internal controls in relation to fraud and non-compliance. This includes obtaining an understanding of management's processes for identifying and responding to the risks of fraud and non-compliance in the company.

Fraud risk assessment

We identified fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors indicate that a risk of material misstatement in the financial statements is present. As in all our audits, we had special attention for the risks of management override of controls. We identified this risk primarily in the area where journal entries are recorded in the general ledger and other adjustments are made in the preparation of the financial statements and where judgement is involved, such as in relation to the valuation of the loans issued for which we refer to our key audit matter.

We rebutted the presumed fraud risk on revenue because of the nature of the transactions. Revenue consist of interest income and interest related income as disclosed on page 20 of the Annual Report.

Our specific response to the identified and assessed fraud risks

- We have evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates;
- We made enquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- We selected journal entries and other adjustments made during the year and at the end of the reporting period and post-closing entries;

- For the journal entries mentioned above and other adjustments, we examined the underlying audit documentation;
- We evaluated key estimates and judgements for bias by management, including retrospective reviews of prior year's estimates with respect to valuation of the loans provided.

In addition we also performed the following more general procedures:

- we evaluated whether the selection and application of accounting policies by the company, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
- we have incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures;
- we also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud and non-compliance;
- we considered available information and made enquiries of with management.

Our response to non-compliance with laws and regulations

We have obtained an understanding of the relevant laws and regulations. We held enquiries with management as to whether the company is in compliance with these laws and regulations. We also held an inspection of relevant correspondence with regulatory authorities. We also obtained a written representation from management that all known instances of (suspected) non-compliance with laws and regulations were disclosed to us.

Our observation

Our audit procedures did not reveal indications or reasonable suspicion of fraud and/or non-compliance that are considered material to the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and existence of the loans issued

We consider the valuation and existence of the loans issued, as disclosed in note 10 to the financial statements for a total amount of EUR 47.3 billion, as a key audit matter. This is due to the size of the loan portfolio and given that an impairment may have a material effect on the income statement.

Loans are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method. The Management Board did not identify any impairment triggers regarding the loans issued.

We have performed audit work addressing the valuation and existence of the loans issued to Siemens Group companies, through:

- reconciliation of the treasury management system with the general ledger;
- confirmation procedures with the counterparties of the loans;
- recalculating the amortised cost value based on the effective interest method;
- analysis of the financial situation of the group companies to which loans have been provided, also considering the guarantee provided by Siemens AG; and
- audit of data input to calculate the fair value, including cash flows based on underlying contracts, credit spread and market interest.

Valuation of financial instruments and use of hedge accounting

The company holds considerable positions in derivative financial instruments (interest rate swaps) and issued bonds. Hedge accounting is applied to the derivative financial instruments. The valuation of derivatives is performed by the Siemens AG shared service centers. The auditor of Siemens AG involves valuation specialists in the audit procedures regarding the valuation of derivatives and other financial instruments. We have gained comfort on the design and existence of the valuation procedures based on procedures performed by the Siemens AG auditor. At year-end we have audited the valuation by performing an independent valuation of the derivatives.

We have tested whether hedge documentation and hedge effectiveness testing meet the requirements of IFRS 9 and whether the hedge effectiveness test is mathematically correct.

We have reconciled the outcome of the effectiveness testing for the derivative portfolio as a whole to the financial statements.

Furthermore, we assessed whether the disclosures in the financial statements in relation to the valuation of financial instruments and hedge accounting are compliant with the relevant reporting requirements.

Use of shared service centers of Siemens AG

The company has partly outsourced cash management, valuation, treasury and IT processes to shared service centers of Siemens AG the parent of the company. Management is responsible for these processes as they relate to the financial statements of the company.

For the purpose of obtaining assurance regarding these processes and related accounts we made use of the procedures performed by the auditor of Siemens AG and we have performed our own audit procedures. We have instructed the auditor of Siemens AG and reviewed the procedures performed and the conclusions reached by the auditor of Siemens AG concerning to the assessment of the processes and related accounts.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the Management Board Report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board Report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were appointed as auditor of Siemens Financieringsmaatschappij N.V. as of the audit for the year ended 30 September 2019.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Siemens Financieringsmaatschappij N.V. has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the financial statements of Siemens Financieringsmaatschappij N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report complies with the RTS on ESEF.

Our procedures taking into account Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the company's financial reporting process, including the preparation of the annual report prepared in XHTML format;
- examining the annual report in XHTML format, whether it is in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with

Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 6 December 2022

Mazars Accountants N.V.

C.A. Harteveld RA