SIEMENS energy

Annual report 2020/2021

Siemens Energy A/S
CVR no. 40 66 49 04

3rd financial year

The annual report was presented and approved at the Company's General meeting on December 14, 2021

Allan Danielsen

siemens-energy.dk

Table of contents

Statements

Management's review

Financial statements October 1 – September 30

Statement by Management

The Executive Board and the Supervisory Board have today discussed and approved the annual report, including the Management's review of Siemens Energy A/S for 2020/2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies used to be appropriate. Accordingly, the annual report gives a true and fair view of the company's financial position on September 30, 2021 and of the results of the company's operations and cash flows for the financial year October 1, 2020 – September 30, 2021.

In our opinion, the Management's review gives a true and fair view of the matters discussed in the Management's review. We recommend that the annual report is approved at the annual general meeting.

Ballerup, December 14, 2021

Executive Board:

Peter Weinreich-Jensen
Managing Director

Ann Hald Delcomyn
Finance Director

Supervisory Board:

Hans Anders Petrus Holmström
(Chairman)

Elin Elisabet Hildegard Nyblom

Peter Weinreich-Jensen

Independent auditor's report

To the shareholder of Siemens Energy A/S

Opinion

We have audited the financial statements of Siemens Energy A/S for the financial year October 1, 2020 – September 30, 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company on September 30, 2021 and of the results of the Company's operations and cash flows for the financial year October 1, 2020 – September 30, 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, December 14, 2021

EY
Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28

Thomas Bruun Kofoed
State Authorised
Public Accountant
mne28677

Company details

Siemens Energy A/S

Borupvang 9
2750 Ballerup

Phone number:	44 77 44 77
CVR no.:	40 66 49 04
Established:	July 15, 2019
Registered office:	Ballerup
Financial year:	October 1 – September 30

Supervisory Board

Hans Anders Petrus Holmström, Chairman
Elin Elisabet Hildegard Nyblom
Peter Weinreich-Jensen

Executive Board

Peter Weinreich-Jensen, Managing Director
Ann Hald Delcomyn, Finance Director

Auditor

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg, Denmark

Annual general meeting

The ordinary annual general meeting takes place on December 14, 2021.

Three years financial highlights

Three years financial highlights

DKK '000	**2020/2021**	2019/2020	2018/2019
Revenue	244.757	421.240	687.236
Operating profit	912	26.699	36.842
Net financials	-1.842	-1.099	-457
Profit for the year	**-916**	**19.382**	**28.380**
Proposed dividend	0	0	0
Fixed assets	338	326	318
Non - fixed assets	180.220	184.564	135.460
Total assets	**180.558**	**184.890**	**135.778**
Share capital	402	402	401
Equity	42.461	43.349	1.776
Cash flow from operating activities	-23.939	5.804	0
Cash flow from investing activities	-136	-210	0
– portion related to investments in property and equipment	-136	-210	0
Cash flow from finance activities	0	22.350	400
Total cash flows	**-24.075**	**27.944**	**400**
Average number of employees	**80**	**79**	**73**
Asset turnover	1,5	2,9	3,8
Return on equity	-2,1	85,9	49,8
Profit margin	0,4	6,3	5,4
Return on assets	0,5	18,3	20,3
Solvency ratio	23,5	23,4	1,3

Comparative figures are restated to reflect demergers and mergers.

Definitions of financial ratios

Asset turnover
The year's revenue relative to average operating assets.

Return on equity
Profit/Loss for the year relative to average equity.

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

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

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

Management's review

Main activity

We cover almost the entire energy value chain with our portfolio of products, solutions and services – from power generation, transmission to storage. Our portfolio includes conventional and renewable energy technology, such as gas and steam turbines, hybrid power plants operated with hydrogen, power generators and transformers as part of our high voltage products portfolio.

Siemens Energy A/S is owned by Siemens Gas and Power Holding B.V., Den Haag, Netherlands. Siemens Energy A/S' ultimate parent is Siemens Energy AG.

Our innovative products support customers in transitioning to a more sustainable world.

Siemens Energy A/S represents the Gas and Power segment of Siemens Energy AG in Denmark.

Generation

We provide products, solutions and services for conventional power generation with high efficiencies. We reduce carbon emissions from existing assets and develop technologies that that will be critical in the future for the decarbonization of power generation applications.

Portfolio: Large gas and steam turbines, industrial gas and steam turbines, generators, turn-key power plants, control systems, operation and maintenance of power plants, modernizations and upgrades, digital services. In Denmark especially the portfolio of large electrical heat pumps which can supply heat or steam op to 150°C or 5 bar steam generated from green renewable electric power is very relevant for the green transition of Denmark.

Our company structure

Industrial Applications

We support our customers in oil & gas and other industries by providing safe, reliable, and highly efficient rotating, electrical, automation, and digital products, solutions and services

Portfolio: Industrial aero-derivative gas turbines, industrial steam turbines, turbo compressors and reciprocating compressors and generators; integrated electrification, automation and digital solutions for onshore and offshore oil-gas, subsea, marine and fiber industries; comprehensive service solutions including spare parts, repairs, field services, digital services, modernizations and upgrades and long-term programs. In Denmark the supply of the pipeline compressors for the Baltic Pipe natural gas transmission line is an important project for our industrial application business.

Transmission

We partner with our customers to build and operate efficient grid infrastructures. We offer reliable products, solutions, and services improved with digital functions to meet the growing demand for sustainable electrification.

Portfolio: Transmission systems, air- and gas-insulated switchgear, power and distribution transformers, solutions for substations, HVDC- and MVDC-solutions, modernization and upgrades. In Denmark the supply of the HVDC converter to Viking Link interconnector between Denmark and the United Kingdom is an important project. Also the supplying electrical system packages to offshore transformer platforms for connecting offshore windfarms to the transmission grid is a very import business.

New Energy

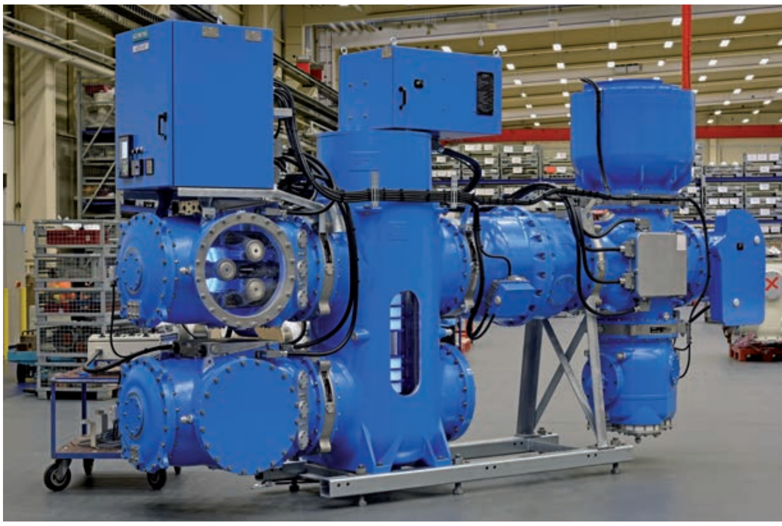
We shape the green hydrogen economy. We develop technologies to couple our economic sectors with renewable sources of power.

Portfolio: Power-to-X-solutions, electrolyzer systems, solutions for producing green hydrogen from renewable energies and water.

Customers include public utilities and independent power producers and companies that carry out the engineering, procurement and construction (EPC) of power plants for public utilities and power producers, also sovereign and multinational oil and gas companies, midstream operators, independent oil and gas, petrochemical and chemical companies, and industrial customers that generate power and heat for their own consumption (prosumers).

The competitors of Siemens Energy in this area consist mainly of two groups: a relatively small number of original equipment manufacturers (OEMs) on the one hand and a large number of EPC companies on the other hand.

There is a growing demand for clean renewable power worldwide and also in Denmark. The question is: How can we meet the growing demand for electricity while protecting our climate? One of the answers is supplying switchgear without dangerous F-gasses such as SF6 or other forever chemicals. At Siemens Energy we are expanding our portfolio of SF6-free transmission solutions.



8VN1 Blue GIS® switchgear with vacuum interrupting technology and clean air insulation.

Corporate Governance

In addition to applicable legislation, the management processes in Siemens Energy A/S are based on the Company being a subsidiary of the German Siemens Energy Group. Moreover, Siemens Energy A/S strives to comply with applicable corporate governance standards.

Risks

The Company's most significant operational risks are related to its ability to handle major, complex projects and construction projects in accordance with agreed performance specifications and deadlines. Therefore, Siemens Energy A/S focuses on training and certifying project managers. Moreover, Siemens Energy A/S has issued guidelines for the approval of projects with a specific size and complexity. Siemens Energy A/S is certified according to ISO 9001: 2015.

Management's review

Siemens Energy A/S' business relates to the Energy sector, including the supply of components and machinery.

In addition to increasing markets and large projects, hacking of Siemens Energy A/S' systems, breach of the provisions of the Danish Competition Act, and supplier failures also expose the business to risk. Risk reduction is a constant focus of Siemens Energy A/S, and the Company's management systems are specifically designed to address these risks.

As described in the Management's review, Siemens Energy's management systems handle financial risks, including currency, interest rate, and credit risks.

Corporate Social Responsibility

Siemens Energy A/S' strategy is based on a general understanding of the Company's role in society, entailing that the Company must create value – not only for its shareholders but also for the societies in which it operates. Siemens Energy A/S' activities must serve a purpose beyond profit, contributing to solving some of humanity's considerable challenges such as global warming.

Integrity and transparency are of the highest priority in supporting the confidence our customers, partners, shareholders and employees place in Siemens Energy. Therefore, it is important that Siemens Energy is aware of all compliance violations, especially those that are against the law or violate our Business Conduct Guidelines.

The "Speak Up" hotline is for reporting compliance violations in a secure manner, 24 hours a day, 7 days a week, in 13 languages, online or via telephone. The reporting can be done anonymous. "Speak Up" can be used by employees and management as well as customers, suppliers and other stakeholders. The "Speak Up" system is managed by a third party supplier. All data supplied in a report is maintained on secure servers in Germany. All reported content is handled exclusively by Siemens Energy.

The risk of carrying on business in Denmark in respect of corruption and bribery as well as compliance with basic human and labor rights is limited as Denmark remains ranked as one of the top countries in the world on Transparency International's Corruption Perceptions Index. At the same time, Siemens Energy's internal control systems contribute to minimizing the risk of non-compliance with legislation.

Siemens Energy A/S does not tolerate corruption and bribery as a result of the above. In the fiscal year 2020/2021, no cases of corruption or bribery were identified.

Protection of human rights

Siemens Energy' Business Conduct Guidelines contain the basic principles and rules on how Siemens Energy' employees are expected to act towards each other, external business partners and the general public. The requirement to comply with applicable rule of law, respect people of various ethnic origin, culture, religion, sexual orientation, gender, etc., and managers' special responsibility to meet their organizational and supervisory duties are emphasized. Furthermore, employees are offered courses on selected topics to ensure that they are up-to-date on statutory requirements and the Group's guidelines. These courses cover human rights, anticorruption, IT security and other topics, and will also be offered going forward.

These principles imply that Siemens Energy A/S tolerates neither discrimination based on the differences mentioned above nor offensive behavior, sexual harassment, or other types of abuse. These principles are also reflected in the requirements for Siemens Energy's suppliers, described in the section on suppliers below.

In the fiscal year 2020/2021there have not been identified any cases of violation of human rights.

Employees

One of Siemens Energy A/S' key assets is the skilled, creative, and highly committed employees. Therefore, activities to support employees' skills and commitment are prioritized, and measures are implemented continuously to improve employees' health and job satisfaction and professional and personal development.

Therefore, Siemens Energy A/S has implemented some policies to support these measures, including a sickness absence policy, a senior employees' policy, a recruitment and diversity policy, and a policy against harassment, violence, and bullying (including anti-discrimination, etc.). Moreover, Siemens Energy A/S has a well-functioning working environment organization, monitoring developments and initiating initiatives in cooperation with Management.

In terms of salary, Siemens Energy A/S pays an equal salary for equal work based on qualifications and experience.

The risk of stress is one of the most significant risk factors, and we have a continuous focus on this area, where both managers and employees are offered training on how to prevent and handle stress in the workplace.

From the experience of the COVID-19 pandemic, a cross-functional team started to develop a tailor-made "new normal" concept for Gas and Power segment. The concept under the campaign banner #BetterTogether is centered around our values. The key principles are:

- We leverage the benefits of flexibility to foster a business model that focuses on outcomes and performance, and company growth. We turn our offices into centers for collaboration to promote culture and creativity. Our offices will remain the key destination to interact, cross-collaborate, innovate and build relationships.

- #BetterTogether is not about one size fits all. Many jobs still require spending all or most of the time at a certain location – be it in an office, factory or in the field at a customer site. Others can be performed by combining remote and office work.

- Based on mutual agreement between leaders and employees on a flexible work environment, for those who can work remotely, a hybrid working model, with time divided between working in the office and working remotely, will allow us to use the best of both worlds.

We want our employees to be able to work in a safe environment that promotes health, and we focus all our attention on avoiding accidents and occupational illnesses.

We have implemented "safety walk and talk", which means that managers regularly pay inspection visits and discuss safety precautions with employees. In general, sickness absence and the number of industrial accidents are low, indicating that efforts to increase safety and health in the workplace are effective. To support the health and safety policy, the ISO 45001 standard provides guidance so that international and local regulations, laws, standards, and practices that govern health and safety are observed and complied with wherever Siemens Energy operates. Siemens Energy A/S is certified according to ISO 45001: 2018.

Siemens Energy's key objective is to provide a safe and healthy working environment for all employees, partners, contractors, and suppliers. Occupational Safety and Health (OHS) is directly related to the achievement of the United Nations foundation – sustainable development Goals (SDGs), with a focus on SDG 3, "Good Health and Well-Being", which aims to ensure healthy lives and promote wellbeing for all at all ages, and SDG 8 "Decent Work and Economic Growth", which aims to promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. At our Siemens Energy offices, manufacturing facilities, and project sites, we will identify and monitor opportunities for improvement in OHS standards and alignment with SDGs 3 and 8. Employee commitment and job satisfaction are gauged in a global employee satisfaction survey forming the basis for dialogue and improvement measures in the entire company. The last survey for Siemens Energy on a stand-alone basis was carried out in June 2021. 84% of the employees think Siemens Energy is the best place to work and that they are proud of the contribution Siemens Energy makes to the environment and society.

Local surveys of workplace assessment (APV) are carried out every third year as a minimum. The most recent survey was carried out in 2020 with 53 (65%) of the Company's employees participating. The majority of employees express that they are proud of working for Siemens Energy A/S.

Supplier responsibility

Suppliers make up a significant part of the overall value chain, and Siemens Energy considers it part of its responsibility to ensure that the Company's suppliers live up to high standards. For purposes of elucidating Siemens Energy' principles for good business conduct, the company has prepared a Code of Conduct for Siemens Energy Suppliers to be observed by all the company's suppliers. Siemens Energy' Code of Conduct for Siemens Energy Suppliers is based on the UN's Global Compact, which lays down principles regarding the CSR areas protection of human rights, freedom of association, abolition of child labour and discrimination, protection of the environment and anticorruption.

The yearly evaluation among suppliers did not show any violation of the Code of Conduct for Siemens Energy suppliers. Furthermore, when entering into particularly close business relations with Siemens Energy A/S, enterprises and other stakeholders (Business Partners) are subjected to a compliance due diligence process.

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

Management's review

Diversity United Nations Foundation – Sustainable Development Goals (SDGs)

We support that everyone at Siemens Energy can bring their whole self to work and achieve their full potential. All employees are encouraged to develop in accordance with their own talents and preferences and to be able to count on equal treatment in a non-discriminatory work setting. We actively maintain a workplace environment that is open to everybody regardless of their ethnic origin, religion, world view, age, disability, gender and sexual orientation. We strive to create safe, welcoming workplaces with cultures that encourage equality, belonging and engaging dialog throughout the whole organization. We listen respectfully to learn from others and leverage our differences to innovate for better solutions.

Siemens Energy A/S would like to unfold the full potential of all employees and ensure that men and women have the same opportunities for obtaining leadership positions. We have a policy for women in management. Furthermore, we have targets for increasing the proportion of women at all management levels.

Therefore, and subject to the Danish reporting requirements in section 99B of the Danish Financial Statements Act regarding goals and policies for the underrepresented gender, the Supervisory Board of Siemens Energy A/S has set the goal that the ratio of women appointed by the general meeting should be 25% in 2025 and 30% by 2030. The goal is in line with the one set for Siemens Energy AG. On September 30, 2021, one woman was appointed to the Supervisory Board by the general meeting, which means that the goal has been achieved.

All candidates are encouraged to apply for open positions, regardless of gender, race, age, and cultural background, to promote Siemens Energy A/S as a diverse workplace.

Diversity is part of the recruitment basis. Recruitment is based on a comprehensive assessment of the candidates, comprising both technical skills and personal qualities, and the aim is to have both genders represented in the application field for all positions. Furthermore, the recruiters and hiring managers have been trained to be aware of – and avoid – unconscious bias in their selection of candidates.

The share of female managers in Siemens Energy A/S on September 30, 2021 is 50%, compared to a total percentage of women in Siemens Energy A/S of 26%. The goal is for the share of female managers to be at least at the same level in 2022. In the following year Siemens Energy A/S will continue to focus on keeping the share of female managers.

Environment

Siemens Energy A/S wants to be known as a green company with targeted efforts to protect the environment. Being certified according to ISO 14001: 2015, Siemens Energy A/S has laid down general environmental impact reduction goals. Specific targets have been set for key parameters such as the consumption of electricity, heating and water in our buildings and carbon emissions from our company cars.

The office building where Siemens Energy A/S' headquarters are renting its space at Borupvang 9 is certified in accordance with the so-called LEED Gold standard (Leadership in Energy and Environment Design), ensuring optimum energy utilization and a healthy indoor climate

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

Waste and consumption of electricity, water and heating [1]	2020/2021	2019/2020
Total volume waste in tons	95,7	106,0
– hereof portion to be recycled as a percentage (target: 60 %)	64%	62%
Consumption of electricity in kwh per m² (target: 84,0)	69,2	73,6
Consumption of heating in kwh per m² (target: 80,0)	54,2	33,1
Consumption of water in liters per m² (target: -5% per year)	246,6 16%	293,5 -17%

[1] At the address Borupvang 9. KPIs of waste consumption of electricity, water and heating is based on information from suppliers and reading of individual meters

The total waste volume shows a decrease of less than 10% in 2020/2021. At the same time, the share of recycled waste has increased to 64%, which is right above our target. Consumption of electricity and heat decreased by 6%, and water consumption decreased by 16% due to the introduction of water-saving fixtures. Consumption of heat increased because the heat pump was shot down to avoid the COVID-19 virus from spreading. However, the consumption of electricity and heat continues to increase below the specified maximum values.

The development in consumption and emissions is monitored continuously to assess the possibility of reducing the environmental impact to the widest extent possible. For instance, the company car policy includes carbon emission limits on company cars.

CO_2 emissions from company cars	2020/2021	2019/2020
Standard emissions (g/km)	130,0	129,9
Actual emissions (g/km)	167,1	171,0

KPIs of CO_2 emissions from company cars are based on information from the leasing company handling the company cars..

On September 30, 2021, the standard figure for the total fleet of company cars was 130,0 g/km, which is an increase compared to last year's level. Actual emissions have decreased and remain significantly above the norm. Collectively in 2020/2021, the company cars emitted a total of just over 112 tons of CO_2. In addition, service cars emitted 7 tons of CO_2.

The company car policy is that the cars' energy classes will be the basis for assessing the cars' energy efficiency.

A new company car policy introduced in autumn 2021 will only allow hybrid or pure electric cars to be ordered from January 1, 2022. From January 1, 2024, only pure electric cars can be ordered.

A bonus has been introduced if employees choose an electric car to motivate employees to choose a company car with no carbon emissions. It is only possible to choose a car with energy efficiency class A or better.

The environmental risks associated with Siemens Energy A/S' activities in Denmark are relatively small, as the company does not have any production facilities and thus only handles environmentally hazardous waste to a limited extent.

Income statement

In the year under review, revenue reduced to 244.757 TDKK (2019/2020: 421.240 TDKK), amounts to a decrease of 42 %.

The level of revenue is lower than the expectations for the financial year in the 2019/2020 annual report. The decrease can partly be explained by the fact that COVID 19 has delayed some projects. Some of the delayed projects have started up again at the end of Financial year 2020/2021.

Result for the year is reduced compared to 2019/2020 to -916 TDKK. (2019/2020: 19.382 TDKK). A proposal is made for distribution of dividend of 0 TDKK.

Result for the year of -916 TDKK is lower than the expectations set in the 2019/2020 annual report. The loss is mostly due the missing revenue from projects that were delayed due to COVID 19.

Management considers the result for the year to be satisfactory.

Balance sheet

The balance sheet sum has decreased from 184.890 TDKK in 2019/2020 to 180.558 TDKK at the end of the financial year. The decrease is mainly due to a decrease in Cash due to the lower result for the year and increased investment in working capital.

Cash flow

Cash flow from operating activities were reduced from 5.804 TDKK to -23.939 TDKK, due to the lower income, investment in the working capital and paid company taxes.

Expectations for the future

Management expects an overall growing market in 2021/2022 due to the green transition of the Danish and European society.

However, in the business areas of Siemens Energy A/S, there are fluctuations in the mixture and timing of projects, which is normal for the company.

The revenue fiscal year 2021/2022 is expected to be on a higher level than in the fiscal year 2020/2021 (360–380 MDKK).

The result for fiscal year 2021/2022 is expected to be on a higher level than in the fiscal year 2020/2021 (7-11 MDKK).

Incentive plans

Siemens Energy AG has established three incentive programs

- A stock award plan according to which key executives may be granted stock awards in Siemens Energy AG. The shares are vested in the following four years of granting. An amount of 341 TDKK was recognized under expense in the 2020/2021 income statement of Siemens Energy A/S.

- A stock award incentive program for all employees, granting shares depending on the Siemens Energy AG share price on the stock exchange. An amount of 864 TDKK was recognized under expense in the 2020/2021 income statement for Siemens Energy A/S.

Management's review

- A program for all employees, allowing them to acquire shares with a granted bonus share after one year of ownership. An amount of 294 TDKK was recognized under expense in the in 2020/2021 income statement for Siemens Energy A/S.

Special risks

Financial risks

Due to its operations and financing, the Company's exposure to changes in exchange rates and interest rates is relatively low. It is the Company's policy not to engage in active speculation in financial risks. Thus, the Company's financial management activities are aimed only at managing risks already assumed.

Currency risks

The Company's activities are affected by exchange rate fluctuations as revenue is generated, in all material respects, in Danish kroner, whereas purchases of products are primarily affected in foreign currencies. The Company's exchange rate risks are primarily hedged through derivative financial instruments. It is the Company's currency policy to hedge projects with a net exposure of more than EUR 1 million.

The product business is hedged for three-month periods at a time based on expected sales/purchases.

Furthermore, the Company policy is to hedge minimum 75% of its net currency positions.

Interest rate risks

The Company's interest-bearing debt primarily consists of financial debt to group entities. It is not the Company's policy to hedge interest rate risks relating to intra-group balances. An increase of 1 percentage point in the general interest rate level will result in an increase in the Company's annual interest expenses of DKK 0,9 million.

Credit risks

The Company is not exposed to any significant risks relating to any particular customer or business partner. The Company's policy in respect of credit risks implies that all major customers and other co-operators are credit rated on an ongoing basis.

Income statement

Financial statements October 1 – September 30

DKK'000	Note	**2020/2021**	2019/2020
Revenue	**3**	244.757	421.240
Production costs		-204.582	-351.423
Gross profit		**40.175**	**69.817**
Distribution costs		-27.975	-34.781
Administrative costs		-11.288	-8.337
Profit before other operating income		**912**	**26.699**
Financial income	**4**	3	3
Financial expenses	**5**	-1.845	-1.102
Profit from ordinary activities		**-930**	**25.600**
Tax on profit from ordinary activities	**6**	14	-6.218
Profit for the year		**-916**	**19.382**

Balance sheet

Financial statements October 1 – September 30

Assets

DKK'000	Note	2020/2021	2019/2020
Fixed assets			
Intangible assets	7		
Goodwill		0	0
Total Intangible assets		**0**	**0**
Property, plant and equipment	8		
Other property, plants and equipment		338	326
Total property, plant and equipment		**338**	**326**
Total fixed assets		**338**	**326**
Non-fixed assets			
Receivables	9		
Trade receivables		62.354	47.487
Contract assets	10	19.011	13.496
Receivables against group entities		605	840
Financial receivables against group entities		92.675	93.909
Joint tax group receivables		498	0
Other receivables		552	217
Prepayments	11	256	271
Total receivables		**175.951**	**156.220**
Cash		**4.269**	**28.344**
Total non – fixed assets		**180.220**	**184.564**
Total assets		**180.558**	**184.890**

Financial statements October 1 – September 30

Liabilities

DKK'000	Note	2020/2021	2019/2020
Equity			
Share capital		402	402
Reserve for heding instruments		-131	-159
Retained earnings		42.190	43.106
Total equity		**42.461**	**43.349**
Provisions			
Warranty commitments	12	7.338	6.830
Deferred tax	13	3.954	3.337
Other provisions	14	436	172
Total provisions		**11.728**	**10.339**
Liabilities			
Short-term liabilities			
Liabilities to group entities		6.548	3.428
Contract Liabilities	10	74.560	60.872
Joint tax group liability		0	9.867
Trade payables		20.415	14.849
Other payables		24.846	42.186
Total short-term liabilities		**126.369**	**131.202**
Total liabilities		**126.369**	**131.202**
Total equity and liabilities		**180.558**	**184.890**
Notes without references			
Use of derivative financial instruments	17		
Related parties and related party transactions	18		
Staff costs	19		
Fees paid to auditor appointed at the annual general meeting	20		
Distribution of profit/loss	21		
Contingent assets and liabilities	22		
Pending legal actions	23		
Ownership	24		

Statement of changes in equity

Financial statements October 1 – September 30

DKK'000	Share capital	Reserve for heding instruments	Retained earnings	Total
Equity on October 1, 2019	401	0	1.375	1.776
Capital contribution	1	0	22.349	22.350
Value adjustment of hedging instruments, year end	0	-159	0	-159
Profit for the year	0	0	19.382	19.382
Equity on September 30, 2020	**402**	**-159**	**43.106**	**43.349**
Value adjustment of hedging instruments, opening	0	159	0	159
Value adjustment of hedging instruments, year end	0	-131	0	-131
Profit for the year	0	0	-916	-916
Equity on September 30, 2021	**402**	**-131**	**42.190**	**42.461**

The share capital consists of 402 shares of DKK 1.000 each.

In the past three years the share capital can be specified as followed (TDKK):
2018/2019: 401
2019/2020: 402
2020/2021: 402

Cash flow statement

Financial statements October 1 – September 30

DKK'000	Note	**2020/2021**	2019/2020
Revenue		244.757	421.240
Costs and other operating income		-243.845	-394.541
Adjustments	**15**	896	1.133
Cash generated from operating activities before changes in working capital		**1.808**	**27.832**
Changes in working capital	**16**	-15.433	57.299
Chenge in financial receivables to group entities		1.234	-78.069
Financial income and expenses, net		-1.842	-1.099
Value adjustments of securities		28	-159
Paid company taxes		-9.734	0
Cash flow from operating activities		**-23.939**	**5.804**
Purchase of property, plant and equipment		-136	-210
Cash flow for investing activities		**-136**	**-210**
Capital injection		0	22.350
Cash flow from finance activities		**0**	**22.350**
Cash flow from operating, investing and financing activities for the year		**-24.075**	**27.944**
Cash and cash equivalents on October 1		28.344	400
Cash and cash equivalents on September 30		**4.269**	**28.344**

Notes

Financial statements October 1 – September 30

1 - Accounting policies

The financial statements of Siemens Energy A/S for 2020/2021 have been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to large reporting class C entities.

Effective from the financial year 2020/2021, the company has implemented amending act no 1716 of 27. December 2018 to the Danish financial statements act. The implementation of the amending act has not affected the company's accounting policies on recognition and measurement of assets and liabilities.

The accounting policies have been applied consistently during the financial year and for the comparative figures.

The financial statements are presented in Danish kroner DKK '000

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortized cost using the effective interest method. Amortized cost is made up of the original cost less instalments, if any, and plus or minus the accumulated amortization of the difference between the cost and the nominal amount.

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

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

Business combinations

The pooling-of-interests method is applied to mergers of or demergers into group entities.

Foreign currency translation

Transactions denominated in foreign currencies are translated into DKK at the exchange rates at the date of the transaction. Receivables and payables denominated in foreign currencies are translated into DKK at the exchange rates at the balance sheet date. Realized and unrealized

Exchange gains and losses are recognized in the income statement under cost of sales and financial income and expenses relating to foreign-currency loans, respectively. Exchange gains and losses related to hedging transactions where the hedged item is not included in the balance sheet, are, however, measured in the balance sheet as cut-off items once the hedged item is realized.

Financial statements October 1 – September 30

Income statement

Revenue

The company's net sales consist of sales of commercial and finished goods, construction contracts, service contracts and sales.

When concluding client contracts, each contract is assessed for compliance with IFRS 15's five steps to assess:

1. Customer contract identification.
2. Identification of purchase obligations.
3. Determining the transaction price.
4. Allocating the transaction price of identified purchase obligations.
5. Recognition of revenue when purchase obligations are met.

The company's customer contracts are divided into individually identifiable purchase obligations that are recognized and measured separately at fair value.

Where a sales agreement includes multiple purchase obligations, the total transaction price of the sales agreement is allocated proportionally to the individual purchase obligations of the agreement.

Net sales are recognized when the customer has gained control over the individual identifiable delivery obligation.

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

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

When selling commercial and finished goods, revenue is recognized when the customer has control over the product. Although a sales contract for the sale of finished goods and merchandise often contains multiple purchase obligations, they are treated as one total delivery obligation, with control typically passing at the same time.

Contracting contracts are recognized over time as the work is carried out, either on the client's property or the project is so adapted to the client's specific needs that it cannot be put into operation by others without relatively high costs, while the customer is obliged to settle on an ongoing basis including a reasonable profit for the work performed.

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

When the result of a contract cannot be reliably estimated, revenue is recognized only in accordance with the costs incurred, to the extent that it is considered probable that the costs will be recovered.

Net sales from service contracts where the control is carried out on an ongoing basis are accrued and recognized in the period to which they relate. Prepaid service contracts are recognized as accruals.

Production costs

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

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc. during the year are recognized as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognized as distribution costs.

Administrative costs

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

Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses, foreign-currency payables and transactions, amortization of financial assets and liabilities as well as surcharges and allowances under the advance-payment-of-tax scheme, etc.

Notes

Financial statements October 1 – September 30

Tax for the year

The Company is subject to the Danish rules on joint taxation of the Siemens group Danish activities.

Siemens A/S is the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities until 28/9 2020.

As of 28/9 2020 Siemens Gamesa Renewable Energy A/S is the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities.

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

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

Balance sheet

Goodwill

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

Goodwill is amortized over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments.

The maximum depreciation period is 15 years, longest for strategically acquired entities with strong market positions and long-term earnings profiles.

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

Property, plant and equipment

Property, plant and equipments measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

Other property, plant and equipment:	3-10 years

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

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

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

Gains or losses are recognized in the income statement under 'Other operating income' or 'Other operating expenses', respectively.

Impairment of assets

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

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

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

Previously recognized impairment losses are reversed when the reason for recognition no longer exists.

Inventories

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

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

Inventories are measured at cost based on a weighted average. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Financial statements October 1 – September 30

Receivables

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

Construction contracts

Major construction assets and liabilities are measured at the market value by reference to the stage of completion. The market value is measured according to the stage of completion at the balance sheet date and the expected, aggregate income from the individual construction contract.

Other contract assets and liabilities are measured at cost, including materials, wages/salaries and indirect production overheads.

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

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

Prepayments

Prepayments comprise costs to be incurred in subsequent financial years.

Equity

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

Corporate tax and deferred tax

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

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

Joint taxation contributions payable and receivable are recognized in the balance sheet under "Balances with group entities".

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

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

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

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on construction contracts, reconstruction, etc. Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 0-5 years. Provisions for warranty commitments are measured and recognized based on experience gained from guarantee work.

Liabilities

Financial liabilities are recognized at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, the financial liabilities are measured at Amortized cost, corresponding to the capitalized value using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Notes

Financial statements October 1 – September 30

Cash flow statement

The cash flow statement shows the Company’s net cash flow for the year, broken down by operating, investing and financing activities, and the Company’s cash and cash equivalents at the beginning and the end of the year.

Cash flow from operating activities

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

Cash flow from investing activities

Cash flow from investing activities comprise payments related to the acquisition and sale of entities and activities, property, plant and equipment and securities related to investing activities.

Cash flow from financing activities

Cash flow from financing activities comprise payments derived from changes in the size or composition of the company’s share capital, dividend distributed as well as the raising and repayment of mortgage debt, other long-term liabilities and short-term bank debt.

Cash

Cash and Cash equivalents comprise cash.

Financial statements October 1 – September 30

2 - Events after the balance sheet date

There have not been any events after the end of the financial year that may materially affect the Company's financial position.

DKK'000	**2020/2021**	2019/2020
3 - Revenue		
Sale of goods, national	218.369	399.445
Sale of goods, international	26.388	21.795
	244.757	**421.240**
4 - Financial income		
Other financial income	3	3
	3	**3**
5 - Financial expenses		
Interest payable for other group entities	752	576
Other financial expenses group entities	974	446
Other financial expenses	119	80
	1.845	**1.102**
6 - Tax on profit from ordinary activities		
Tax on the taxable income for the year	-498	9.867
Adjustment of deferred tax	617	-3.649
Adjustment of prior years	-133	0
	-14	**6.218**

DKK'000	Goodwill
7 - Intangible assets	
Cost on October 1, 2020	2.809
Cost on September 30, 2021	**2.809**
Depreciation on October 1, 2020	-2.809
Depreciation September 30, 2021	**-2.809**
Carrying amount September 30, 2021	**0**
Carrying amount September 30, 2020	**0**

Notes

Financial statements October 1 – September 30

DKK'000	Other property, plant and equipment
8 - Property, plant and equipment	
Cost on October 1, 2020	1.354
Additions for the year	136
Disposals for the year	-72
Cost on September 30, 2021	**1.418**
Depreciation on October 1, 2020	-1.028
Depreciation of the year	-124
Depreciation on Disposals for the year	72
Depreciation September 30, 2021	**-1.080**
Carrying amount September 30, 2021	**338**
Carrying amount September 30, 2020	**326**

9 – Receivables

Of total receivables, long-term borrowing totals DKK 0. (2019/2020: DKK 0)

DKK'000	**2020/2021**	2019/2020
10 - Construction assets and liabilities		
Construction contracts	594.925	519.238
Prepayments received from customers	-650.474	-566.613
Total construction assets and liabilities on September 30	**-55.549**	**-47.375**
Distributed as follows in the balance sheet:		
Construction contracts, net	19.011	13.496
Prepayments received from customers, net	-74.560	-60.872
Total construction assets and liabilities	**-55.549**	**-47.376**

11 - Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

12 - Wranty commitments		
Warranty commitments on October 1	6.830	5.847
Used during the year	-1.538	-2.047
Release of unused warranty commitments	-700	-363
Provision for the year	2.746	3.393
Warranty commitments on September 30	**7.338**	**6.830**
Expected maturities for warranty commitments:		
0-1 year	1.444	1.183
1-5 years	4.447	5.647
> 5 years	1.447	0
Total warranty commitments	**7.338**	**6.830**

Financial statements October 1 – September 30

DKK'000	**2020/2021**	2019/2020
13 - Deferred tax		
Deferred tax on October 1	3.337	7.031
Changes in deferred tax for the year	617	-3.694
	3.954	**3.337**
The deferred tax asset relates to:		
Property, plant and equipment	-52	-46
Non-fixed assets	5.855	4.990
Provisions	-1.729	-1.532
Liabilities	-120	-75
	3.954	**3.337**
14 - Other provisions		
Other provisions on October 1	172	179
Used during the year	-267	-217
Release of unused provisions	-186	0
Provisions for the year	717	210
Other provisions on September 30	**436**	**172**
Expected maturities for other provisions:		
0-1 year	436	172
Total provisions	**436**	**172**
15 - Cash flow statement – adjustments		
Depreciation	124	202
Change in warranty provisions	508	983
Change in other provisions	264	-7
Change in other miscellaneous	0	-45
	896	**1.133**
16 - Changes in working capital		
Changes in inventories	0	3
Changes in receivables	-20.467	56.906
Change in trade payables, etc.	5.034	390
	-15.433	**57.299**

Notes without reference

Financial statements October 1 – September 30

17 - Use of derivative financial instruments

As part of its hedging of recognized and non-recognized transactions, Siemens Energy A/S makes use of forward exchange contracts.

Recognized transactions

Hedging of recognized transactions includes the most significant receivables and payables.

Valuta	Payment/ Maturity	Receivables	Liabilities	Hedged through forward exchange contracts	Net position
EUR	<1 year	65.432	-13.924	-223.815	-172.307
EUR	>1 year	0	0	-10.219	-10.219
SEK	<1 year	16	0	0	16
NOK	<1 year	443	-50	0	393
GBP	<1 year	25	0	-932	-907
PLN	<1 year	1	0	0	1
USD	<1 year	9	-19	0	-10
I alt		**65.926**	**-13.993**	**-234.966**	**-183.033**

Hedging of future purchases and sales are recognized on the equity while hedging of receivables and payables recognized on September 30 is recognized in the income statement.

On September 30, 2021, unrealized net losses on derivative financial instruments entered into for foreign currency hedging purposes totaled 326 TDKK, which has been recognized in the income statement with 158 TDKK and on the Equity with 168 TDKK.

18 - Related parties and related party transactions

The Company's related parties include the Supervisory Board, the Executive Board, executive officers and their family members. Related parties further include entities in the Siemens Energy AG Group.

The company's related party transactions (companies in the Siemens Energy AG Group and Siemens AG group) include the majority of purchases of goods and services.

DKK'000	**2020/2021**	2019/2020
Acquisition of goods and services from related parties	113.222	162.480
Sale of goods and services to related parties	32.366	24.144

No other transactions were carried through with shareholders in the year.

For information on transactions with the Supervisory Board and the Executive Board, reference is made to the note on staff costs. For information on financial transactions, reference is made to the notes on financial income and financial expenses

Balances with related parties are specified in the balance sheet.

19 - Staff costs		
Staff costs included in gross result, sales- and admini¬strative costs constitute:		
Salaries, pensions etc.		
Remuneration of the Company's Supervisory Board	0	5
Remuneration of the Company's Executive Board	5.249	3.001
Wages and salaries	64.057	67.440
Pensions	6.108	6.084
Other social security costs	439	2.526
	75.853	**79.056**
Average number of employees	80	79
Performance-based compensation		
Company's Executive Board, number of granted shares (vesting period: 2021-2024)	1.940	0
Total value in TDKK (share price 30. September)	336	0
For description of the program reference is made to section Incentive plans in management review on page 13.		

Financial statements October 1 – September 30

DKK'000	**2020/2021**	2019/2020
20 - Fees paid to auditor appointed at the annual general meeting		
Total fees paid to auditor appointed at the annual general meeting	378	374
Specified as follows:		
Fee for statutory audit	378	348
Fee for other assurance assistance	0	26
Total fees paid to auditor appointed at the annual general meeting	**378**	**374**
21 - Distribution of profit/loss		
Proposed distribution of profit/loss		
Retained earnings	-916	19.382
Profit for the year after tax	**-916**	**19.382**
22 - Contingent assets and liabilities		
Performance bonds vis-à-vis third party	66.466	77.896
Performance bonds vis-à-vis Group companies	95.193	170.425
Lease liabilities (Rent)	16.463	20.469
Lease liabilities (Operating leases)	2.962	3.421

The Company is jointly and severally liable with other jointly taxed group entities for payment of corporation taxes for the income years after 2019 and withholding taxes falling due for payment on or after July 15, 2019, in the group of jointly taxed entities.

As of 28/9 2020 the company has entered into a joint taxed group with the Siemens Energy AG activities in Denmark. The Company is jointly and severally liable with other jointly taxed group entities for payment of corporation taxes for the income years after 2020 and withholding taxes falling due for payment on or after September 28, 2020, in the new group of jointly taxed entities.

The demerger from Siemens A/S as of 28/9 2020 was carried out as a tax-exempt demerger. The Danish Tax authorities claims that the demerger should be taxable. Siemens A/S has appealed the assessment. In view of Management, it is likely that the Siemens A/S will win the appeal. Consequently, the financial statements for 2020/2021 have been prepared on this basis.

23 - Pending legal actions

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

24 - Ownership

The following shareholders are listed in the Company's share register as holding at least 5% of the votes or at least 5% of the share capital:

Siemens Gas and Power Holding B.V., Den Haag, Netherlands

Siemens Energy A/S' ultimate parent is Siemens Energy AG, Otto-Hahn-Ring 6, Munich, Germany. The consolidated financial statements of Siemens Energy AG may be obtained from the Company.

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