Shareholder Letter Q1 FY2023

Siemens Energy Investor Relations

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Dear shareholders,

On February 7, we published Q1 fiscal year 2023 results and we conducted our 3rd Annual Shareholder's Meeting (AGM).

During the quarter, Siemens Energy delivered strong order and revenue growth and better than expected cash flow. A strongly improved operational performance at Gas Services (GS), Grid Technologies (GT), and Transformation of Industry (TI) was, however, more than offset by charges of €0.5bn at Siemens Gamesa Renewable Energy (SGRE).

"Our order growth demonstrates that we have the right portfolio to capitalize on the energy transition. Notwithstanding the charges at Siemens Gamesa, Jochen Eickholt and his team are making progress in improving the sustainability of the company. The delisting of Siemens Gamesa will further support the team to focus on solving the operational problems and the turnaround", said Christian Bruch.

Orders continued to be very strong with comparable growth of 49.2%. New orders of €12.7bn, supported by large orders especially at GT, pushed the order book to a record value of €98.8bn. **Revenues amounted to €7.1bn and increased by 16.0% on a comparable basis.** All segments contributed to this growth.

Siemens Energy's profit before special items was minus €282m due to charges at SGRE. These charges reflected the outcome of an evaluation of the installed fleet at SGRE, which showed higher than expected failure rates in specific components resulting in higher warranty and service maintenance cost assumptions. **GS and GT reported sharp improvements year-over-year and TI managed the turnaround.** Special items were negative with €103m, mainly driven by restructuring costs at SGRE. As a result, Profit for Siemens Energy was negative €384m. **Accordingly, Siemens Energy reported a Net loss of €598m.** Corresponding basic earnings per share (EPS) were negative €0.60. Free cash flow pre tax was negative at €58m.

We adjusted the outlook for fiscal 2023: Management now expects a Group Profit margin before Special items between 1% and 3% and a Net loss of Siemens Energy Group on prior fiscal year's reported level. Due to the better than expected cash flow during the quarter, management now expects Free cash flow pre tax to be positive.



On the same day we conducted **our Annual Shareholders' Meeting.** We opted again for the virtual format given that new legislature provided us with the opportunity to have a live exchange with you, our shareholders. A large number of you did take the opportunity to participate virtually and 21 shareholders addressed the Managing Board and Supervisory Board with statements and questions. For more information, including the voting results, please see page 3.

At the end of the day **Siemens Gamesa's shares ceased trading on the Spanish stock exchanges**. Nearly 80% of Siemens Gamesa's minority shareholders accepted our offer at €18.05 per share and on January 25 the Extraordinary Shareholders' Meeting of Siemens Gamesa decided to delist Siemens Gamesa from the stock exchanges.

Grid Technologies strongly contributed to our order intake in FY2022 and yet again in Q1. Hence, I take the opportunity to write about **the largest offshore grid connection order Siemens Energy ever received** on the following pages.

Thank you for your interest in Siemens Energy. I wish you good health and all the best.

Michael Hagmann | Head of Investor Relations

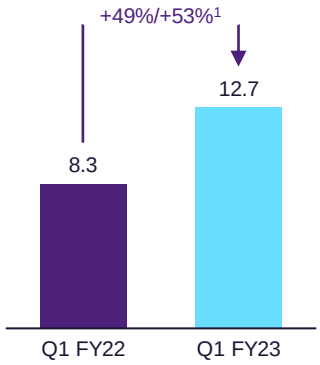
Orders Q1	Revenue Q1	Profit before SI [1] Q1
€12.7bn +49%[1]	€7.1bn +16%[1]	€-282m

1 Comparable basis: Excluding currency translation and portfolio effects **| 2** Special Items

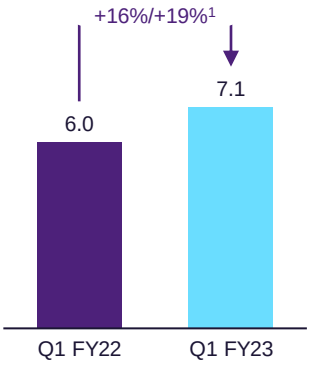
Siemens Energy in Q1 FY2023

(in €bn, except where otherwise stated)

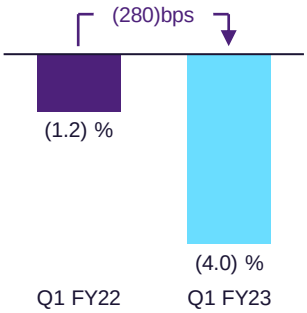
Orders



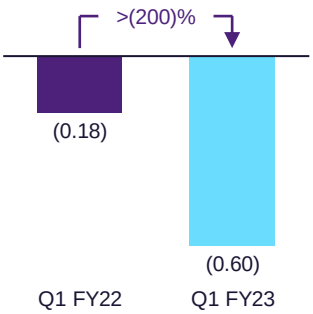
Revenue



Profit Margin before SI



EPS in €

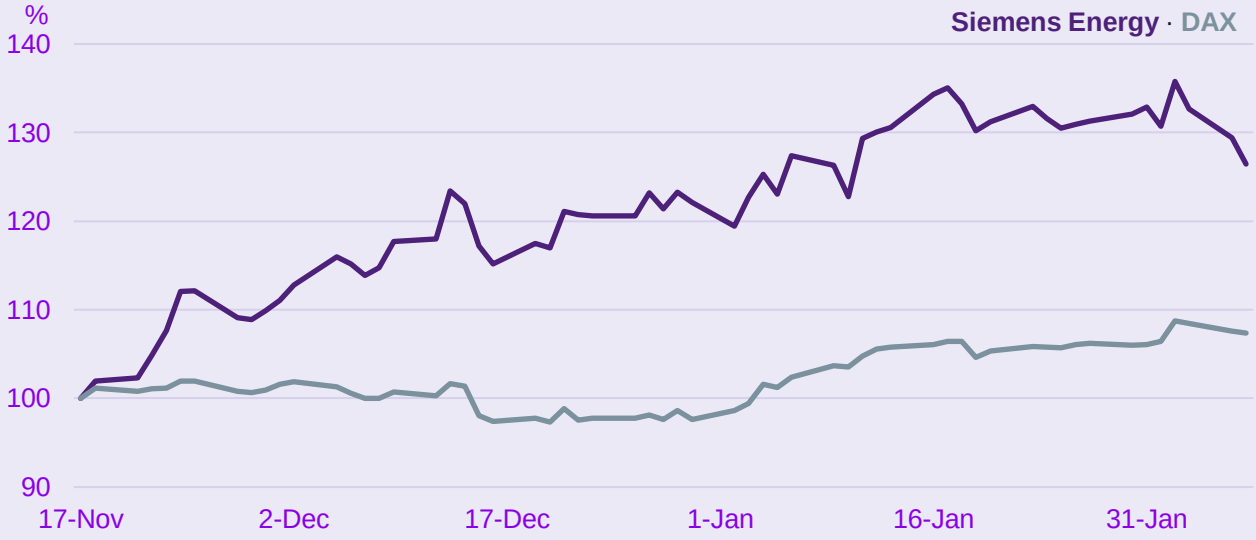


1 xx% / xx% = comparable (excluding currency translation and portfolio effects) / nominal

Business Areas	Orders		Revenue		Profit Margin before SI	
	in million €	Change (comp.)	in million €	Change (comp.)	In percent	Change (comp.)
Gas Services	**3,762**	**22.3%**	**2,560**	**21.5%**	**12.4%**	**390bps**
Grid Technologies	**6,309**	**>200%**	**1,593**	**18.6%**	**6.9%**	**310bps**
Transformation of Industry	**1,205**	**(16.9)%**	**997**	**13.5%**	**5.7%**	**840bps**
Sustainable Energy Systems	64	>200%	15	61.4%	(90.3)%	3110bps
Electrification, Automation, Digitalization	330	30.0%	261	12.0%	4.8%	430bps
Industrial Steam Turbines & Generators	397	(7.9)%	323	11.6%	12.1%	1160bps
Compression	445	(42.8)%	405	15.0%	4.5%	880bps
SGRE	**1,609**	**(35.5)%**	**2,008**	**9.1%**	**(37.8)%**	**(2090)bps**

Share performance

November 17, 2022 – February 7, 2023



Siemens Energy +26.5% · DAX +7.4% · **GE** +23.2% · **Baker Hughes** +9.0% · **Hitachi** -3.1% · **MHI** -5.2%



The Annual Shareholders' Meeting of Siemens Energy AG was conducted on February 7, 2022. This year, the German legislator created a reliable legal framework which provides an alternative equivalent to a physical shareholders' meeting. The new virtual format addresses important shareholders' rights much more than the limited virtual shareholders' meetings conducted over the past two years on the basis of special pandemic provisions. Our aspiration was to ensure a truly interactive dialog with you similar to what you know from face-to-face events. We were delighted that 2,800 shareholders from all over the world accepted our invitation and participated in the AGM.

To further promote interaction with shareholders, this year we made the speeches by Supervisory Board Chairman Joe Kaeser and Executive Board Chairman Christian Bruch available on the AGM website five days before the meeting. The opportunity to address speeches and questions "live" via video link during the meeting was used extensively. In total, 21 national and international shareholders requested to speak during the AGM.

To keep the flexibility for future shareholders' meetings, we proposed an amendment to the Articles of Association, which allows us to opt for a virtual shareholders' meeting. According to our proposal, the legally permitted authorization period of five years was not exploited in full but restricted to two years instead. Thus, we will learn from the experiences made and review our proposals for the future. This proposal was approved by 91.68% of the shareholders. 65.04% of the capital stock was represented at the AGM and voted in favor of all agenda items with a high level of approval (see table below). The AGM was officially closed by Joe Kaeser at 18:08.

The next Annual General Meeting is scheduled for February 2024.

Voting results of AGM agenda items

TOP 1	**Annual Financial Statements (IFRS and HGB), Combined Management Report for Fiscal 2022**	no resolution
TOP 2	**Appropriation of net income**	99.86 %
TOP 3	**Ratification of acts of Executive Board Members**	≥ 99.83 %
TOP 4	**Ratification of acts of Supervisory Board Members**	≥ 97.71 %
TOP 5	**Appointment of Independent Auditor for fiscal 2023**	99.66 %
TOP 6	**Approval of Compensation Report for fiscal 2022**	96.68 %
TOP 7	**Amendment of Articles of Association regarding Supervisory Board**	99.87 %
TOP 8	**Amendment of Articles of Association regarding virtual attendance of Supervisory Board members at shareholders' meetings**	99.46 %
TOP 9	**Amendment of Articles of Association regarding virtual shareholders' meetings**	91.68 %
TOP 10	**Authorized Capital 2023**	96.75 %
TOP 11	**Authorization to Issue Convertible Bonds/Warrant Bonds and respective new Conditional Capital 2023**	98.34 %
TOP 12	**Authorization to Acquire and Use Treasury Shares 2023**	96.41 %







Extraordinary General Meeting of Siemens Gamesa approves delisting

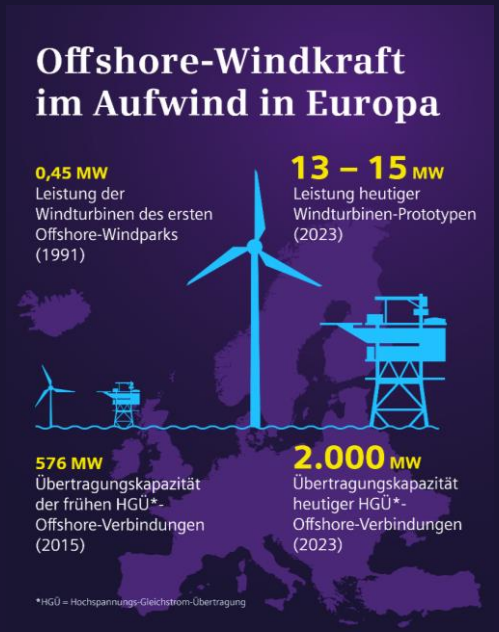
On January 25, 2023, the shareholders of Siemens Gamesa Renewable Energy, S.A. (SGRE) approved the delisting of the company from the Spanish Stock Exchanges at an Extraordinary General Meeting. 98.43% of shareholders voted in favor of the motion to delist the company. The Spanish Securities and Exchange Commission CNMV approved the delisting on February 3. The official delisting took place on 14 February 2023.

Christian Bruch, CEO of Siemens Energy and non-executive Chairman of the Board of Directors of SGRE, said: "*Resolving the current challenges at Siemens Gamesa and turning around the business is the number one priority. Jochen Eickholt and his team have started to implement extensive changes and we have seen initial positive impact. The delisting will help the team focus entirely on solving operational issues. This is the right thing to do to get Siemens Gamesa back on track and I appreciate the decision of the outstanding shareholders to support our efforts to return to profitability*."

The delisting follows a voluntary cash tender offer by Siemens Energy: SGRE's minority shareholders were offered € 18.05 per share in cash. The acceptance period for the offer ran from 8th November 2022 until 13th December 2022. At the end of the acceptance period, Siemens Energy's total shareholding in SGRE stood at 92.72%. The SGRE shareholders were still able to sell their shares under a sustained purchase order, which was in force until February 7, 2023, when SGRE's shares ceased trading. On February 7 Siemens Energy held 97.79% of SGRE shares.

Siemens Energy is currently reviewing options for SGRE shareholders who missed the opportunity to sell their shares. These shareholders can contact us at investorrelations@siemens-energy.com.

Major order for Siemens Energy enables transmission of wind power for 4 million people



In future, a single grid connection will transport up to two gigawatts (GW) of offshore wind power to the onshore power grid. This is made possible by converter systems provided by Siemens Energy and Spanish company Dragados Offshore. The German transmission system operator Amprion has awarded the world's first order for two of these systems to the consortium. In total, up to four gigawatts of green electricity from several offshore wind farms in the German North Sea can be transported to shore – enough electricity to meet the needs of about four million people. The contract for the consortium is worth a total of more than €4 billion including maintenance for ten years. For Siemens Energy it is the largest offshore grid connection order the company has received to date.

Siemens Energy's scope of supply consists of two converter platforms at sea and two associated stations on land. The wind turbines generate alternating current and feed it into the converter platforms, which convert the alternating current into a direct current. Only in this way can large amounts of energy travel the long distance of around 390 kilometers (242 miles) each to the two converter stations on land via a direct current cable. The converter stations on land are being built near Wehrendorf in Lower Saxony and Westerkappeln in northern North Rhine-Westphalia.

Siemens Energy will manufacture all major high-voltage equipment for the two connection systems, such as converter technology, transformers, and switchgear, in Germany and will assume the systems' complete maintenance for a period of 10 years. This includes services to ensure cyber security and transport logistics, such as the provision of service ships and helicopters.

Outlook for the fiscal year 2023

Assumptions for the segments GS, GT and TI in respect to revenue growth and Profit margins before Special items remain unchanged and we continue to expect for Siemens Energy **comparable revenue growth** (excluding currency translation and portfolio effects**) in fiscal year 2023 in a range of 3% to 7%** (unchanged).

Due to the aforementioned charges on the result, **SGRE's management no longer expects SGRE's profitability to be in line with its business plan for fiscal year 2023**. Accordingly, we had **to adjust our outlook for Siemens Energy for fiscal year 2023.**

We now expect Siemens Energy **Group's Profit margin before Special items between 1% and 3%** (previously in a range of 2% to 4%) and, accordingly, **Net loss of Siemens Energy Group to be on prior fiscal year's reported level** (previously a sharp reduction of Net loss compared to fiscal year 2022).

Due to the **better than expected cash flow development during the quarter, we now expect Free cash flow pre tax for fiscal year 2023 to be positive** (previously in a negative range of low- to mid-triple-digit million).

The outlook for Siemens Energy assumes no major negative financial impacts from COVID-19 or other pandemic related events, no further deterioration in the supply chain and raw material cost environment, and excludes charges related to legal and regulatory matters.

Financial Calendar

May 15, 2023	2nd quarter FY23
Aug. 07, 2023	3rd quarter FY23
Nov. 15, 2023	4th quarter FY23

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Information and Forward-Looking Statements

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