Siemens Energy AG: Siemens Energy AG announces issuance of mandatory convertible notes

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Today, the executive board of Siemens Energy AG (the "**Company**"), with the approval of the supervisory board of the Company, resolved to issue subordinated mandatory convertible notes with an aggregate principal amount of approximately EUR 1,000 million (the "**Notes**"). The Notes will be convertible into newly issued or existing registered no-par value shares of the Company (the "**Shares**"). Pre-emptive rights (Bezugsrechte) of the Company's shareholders to subscribe for the Notes will be excluded.

The Company intends to use the net proceeds from the issuance of the Notes to partially finance the voluntary cash tender offer for all outstanding shares in Siemens Gamesa Renewable Energy, S.A. announced by the Company on 21 May 2022. As part of the voluntary cash tender offer, the Company has communicated its commitment to retain a solid investment grade rating and its intention to partly finance the acquisition through the issuance of equity capital instruments. The issuance of the Notes represents a component of these previously announced equity capital measures.

The Notes with a denomination of EUR 100,000 each will be issued by Siemens Energy Finance B.V. (the "**Issuer**") at 100% of their principal amount and will benefit from a subordinated guarantee of the Company. At maturity on 14 September 2025, outstanding Notes will be mandatorily converted into Shares. The terms and conditions of the Notes will also provide for customary conversion rights of the noteholders and the Issuer prior to maturity.

The Notes will have a maximum conversion premium of 15 per cent to 20 per cent above the reference price and a coupon of 5.125 per cent to 5.625 per cent per annum. The reference price will correspond to the placement price per Share determined in the Concurrent Offering of Existing Shares (as defined below).

The Notes will be offered by a syndicate of banks via international private placements exclusively to institutional investors outside the United States and to non-U.S. persons in reliance on Regulation S of the U.S. Securities Act, as amended (the "**Securities Act**").

The executive board of the Company, with the approval of the supervisory board of the Company, will determine and announce the final terms of the Notes following the conclusion of an accelerated bookbuilding process, which is expected to be finalized no later than 7 September 2022.

The Company intends to arrange for the Notes to be included to trading on the Open Market segment (*Freiverkehr*) of the Frankfurt Stock Exchange shortly thereafter.

As part of the transaction, the Company will be subject to a lock-up of 90 days, subject to customary exemptions and waiver by certain of the syndicate banks.

Concurrent Offering of Existing Shares

The syndicate banks have informed the Company that concurrently with the placement of the Notes, they intend to conduct a simultaneous placement of existing Shares (the "**Concurrent Offering of Existing Shares**") on behalf of buyers of the Notes who wish to sell such Shares in short sales to hedge the market risk of an investment in the Notes, at a placement price to be determined by way of an accelerated bookbuilding process. The Company will not receive any proceeds from the Concurrent Offering of Existing Shares. The Concurrent Offering of Existing Shares will be made (i) to institutional investors outside of the United States and to non-U.S. persons in reliance on Regulation S of the Securities Act and (ii) within the United States only to a limited number of "qualified institutional buyers" as defined in Rule 144A of the Securities Act in a transaction pursuant to Rule 144A or another exemption from the registration requirements of the Securities Act.

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Important notice

The distribution of this announcement and the offering of any of the Notes or Shares (the "**Securities**") in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States of America, Australia, South Africa, Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The Securities may not be offered or sold absent registration except pursuant to an exemption from, or a transaction not subject to, the registration requirements under the U.S. Securities Act of 1933, as amended. There will be no public offer of the Securities in the United States of America or in any other jurisdiction.

In member states of the European Economic Area ("EEA"), this announcement is only addressed to and directed at persons who are 'qualified investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (as amended, the "**Prospectus Regulation**") ("**Qualified Investors**"). In the United Kingdom, this announcement is only addressed to and directed at Qualified Investors who are persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**") or (ii) falling within Article 49(2)(a) to (d) (high net worth companies, incorporated associations, etc.) of the Order.

MiFID II Information

Manufacturer Target Market (MiFID II product governance) is Eligible Counterparties and Professional Clients only (all distribution channels). No PRIIPS Key Information Document (KID) and no UK PRIIPS KID has been prepared as the Notes will not be available to retail investors in the EEA, the UK or elsewhere. Solely for the purposes of the product governance requirements contained within: (a) EU

Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MIFID II Product Governance Requirements) may otherwise have with respect thereto, the Notes have been subject to a product approval process, which has determined that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to any offering of the Notes. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Notes.

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