Annual Shareholders' Meeting
of Siemens Energy AG on February 7, 2023

Report of the Executive Board on Agenda item 11

On September 6, 2022, the Company placed a mandatory convertible bond in the total nominal amount of €960,000,000.00 on the basis of the previously existing authorization to issue bearer and/or registered convertible bonds and/or warrant bonds in the total nominal amount of up to €4,000,000,000.00 that was granted at the Shareholders' Meeting on September 18, 2020. The mandatory convertible bond was issued indirectly through Siemens Energy Finance B.V., a wholly-owned Group company of Siemens Energy AG. The partial bonds bear interest at 5.625% p.a., have a nominal amount of €100,000.00 each and entitle the holders to subscribe to an initial total of up to 72,617,247 common shares of Siemens Energy AG in accordance with the bonds' terms and conditions. The specific number of shares into which the partial bonds are to be converted is determined by dividing the nominal amount of the partial bonds submitted for conversion by the applicable conversion price. The applicable conversion price generally corresponds to the respective stock exchange price (calculated in accordance with the more detailed provisions for the terms and conditions of the bonds) of the shares of Siemens Energy AG at the time of conversion, with the conversion price being limited at the bottom end by a minimum conversion price and at the top end by a maximum conversion price. The initial minimum conversion price is €13.22 and the initial maximum conversion price is €15.5335. The partial bonds must be converted at the end of their term (conversion obligation). The right of Siemens Energy AG shareholders to subscribe to the mandatory convertible bond was excluded with the Supervisory Board's approval.

The partial bonds were delivered to investors on September 14, 2022, and included in trading on the Regulated Unofficial Market (Freiverkehr) of the Frankfurt Stock Exchange at the Company's instigation.

The mandatory convertible bond is backed by the Conditional Capital 2020 pursuant to Section 4 (6) of the Articles of Association of Siemens Energy AG, which is to be partially utilized to service the partial bonds.

In the view of the Executive Board and the Supervisory Board, the issuance of the mandatory convertible bond and the exclusion of shareholders' subscription rights was, on the whole, legally permissible and in the interests of the Company.

Prior to the mandatory convertible bond being issued, the Executive Board discussed the requirements as well as the appropriateness and expediency of issuing the mandatory convertible bond. In these deliberations, the Executive Board came to the conclusion that the issuance of the mandatory convertible bond at the stipulated conditions and excluding shareholders' subscription rights is in the interests of the Company. In the opinion of the Executive Board, more advantageous and likewise secure alternative sources of financing were not available to the Company.

In the opinion of the Executive Board and the Supervisory Board, the conditions for excluding shareholders' subscription rights were met when the mandatory convertible bond was issued. The conversion price to be determined in accordance with the more detailed provisions of the bond's terms and conditions at the time of conversion is in line with the requirements stipulated by the 2020 authorization. This is because in each case of conversion, the conversion price to be determined in each case in accordance with the more detailed provisions of the bond's terms and conditions is limited at the bottom end by a minimum conversion price, which in turn is significantly higher than the 80% limit set out in the authorization. The issue price (including the main commercial parameters of the mandatory convertible bond) was determined by the underwriting banks accompanying the transaction as part of an accelerated bookbuilding procedure, taking into account the concrete demand from subscribing investors, and was thus subjected to an actual (and not merely theoretical) market test. This is also proof that the bond was not issued significantly below its market value, but at market value. In addition, the issuance of the mandatory convertible bond also complied with the maximum limit for the exclusion of subscription rights of 10% of the capital stock provided for in the 2020 authorization.

For the Company, the issuance of the mandatory convertible bond with exclusion of subscription rights resulted overall in a secure cash inflow that could be realized in the short term on terms that were favorable from the Company's perspective. In particular, the agreed mandatory conversion at the end of the term means that no repayment obligation arises for the Company. For the above-mentioned reasons, the issuance of the mandatory convertible bond and the exclusion of subscription rights were thus, all in all, in the interests of the Company.

The Company intends to use the net proceeds from the issuance of the mandatory convertible bond to partially fund the voluntary cash offer for the outstanding shares of Siemens Gamesa Renewable Energy S.A. Siemens Energy AG had announced on May 21, 2022, that it would make a cash offer of €18.05 per share to the minority shareholders of Siemens Gamesa Renewable Energy S.A., who account for a stake of approximately 33 %. As part of this cash offer, the Company has communicated that it is still aiming for a solid investment grade rating and that it intends to finance the acquisition partly by issuing equity instruments. Issuance of the mandatory convertible bond on September 6, 2022, is a component of these announced equity measures.

In view of the partial use of the authorization to issue convertible bonds/warrant bonds and of the Conditional Capital 2020, the Supervisory Board and the Executive Board propose under Agenda Item 11 to grant a new authorization to issue convertible bonds/warrant bonds ("Bonds").

According to the resolution proposal regarding Agenda Item 11, the Executive Board is to be authorized with the approval of the Supervisory Board to issue Bonds in the total nominal amount of up to €4,000,000,000.00 up until February 6, 2028. The new authorization is to provide the Company with new leeway for financing its activities and, in particular, to enable Management to react quickly and flexibly to favorable conditions on the capital market. The shareholders are, in principle, entitled to a subscription right for Bonds. It is intended to enable the issuance of Bonds under the new authorization, with the exclusion of subscription rights in certain cases. In total, the volume of (i) shares that are issued from the Authorized Capital 2023 and (ii) shares that have been issued or granted or are to be issued or granted to service a convertible bond or warrant bond issued on the basis of the authorization proposed under Agenda Item 11 at the Shareholders' Meeting on February 7, 2023, with or without subscription rights excluded, provided said bond was issued during the term of the Authorized Capital 2023, shall be limited to €363,322,596.00 nominal.

The Executive Board is to be authorized, with the approval of the Supervisory Board, to entirely exclude shareholders' subscription rights where the Bonds are issued in return for cash payment at an issue price that is not significantly below the market value of these Bonds. This enables the Company to seize favorable market opportunities very quickly on a short-term basis and, by determining the conditions in accordance with prevailing market terms, to achieve better terms and conditions for the Bonds. If the subscription rights were not excluded, any such market-oriented determination of the terms and conditions and smooth placement would not be possible. Pursuant to Section 186 (2) sentence 2 of the German Stock Corporation Act (AktG), the subscription price (and thus the terms and conditions of the Bonds) must be published no later than three days before expiry of the subscription period. There would then be the risk that market conditions change in this period and that the terms and conditions of the Bonds are therefore no longer conform with market conditions. That risk would have to be countered, by way of precaution, by applying discounts to the interest rate or the issue price of the Bonds, for example. Therefore, the Bonds would ultimately not be placed at optimal market conditions. Also, the granting of a subscription right could jeopardize any successful placement with third parties, or result in additional expenses, due to the uncertainty of the exercise thereof (subscription behavior). Finally, if the Company grants subscription rights, it cannot react swiftly to favorable or unfavorable market conditions due to the length of the subscription period. In the case of exclusion of the subscription rights when issuing Bonds against cash payment as provided for herein, the provision of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) applies *mutatis mutandis* pursuant to Section 221 (4) sentence 2 of the German Stock Corporation Act (AktG). Accordingly, the option of excluding the subscription rights may only be used for Bonds with a calculated proportion of up to 10% of the capital stock attributable to the shares to be issued or granted on the basis of these Bonds. Applicable in this case is the amount of the capital stock at the time the authorization becomes effective or, if this amount is lower, at the time when this authorization is exercised. This limit shall include shares issued from authorized capital in direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) or sold in direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) during the term of this authorization up to the time of it being used. Likewise included are shares that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) provides for the case of issuance of shares with the exclusion of subscription rights that the issue price of the shares must be not significantly below the stock exchange price. This is to prevent a material economic dilution of the value of the shares and to enable the shareholders to maintain their proportionate shareholding in the Company's capital stock by purchasing additional shares via the stock exchange on nearly identical terms. Whether or not there will be such a dilutive effect in connection with the issuance of Bonds with exclusion of subscription rights can be determined by calculating the hypothetical stock market value of the Bonds based on recognized methods, particularly actuarial methods, and comparing that value to the issue price. If, according to the Executive Board's due review, this issue price is only insignificantly lower than the hypothetical market value at the time of issue of the Bonds, the notional market value of a subscription right would decrease to almost zero. Given that the shareholders will then not suffer any material economic disadvantage on account of the exclusion of their subscription rights due to the discount being insignificant only, an exclusion of subscription rights is permissible in accordance with the intent and purpose of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). Regardless of this review by the Executive Board, it is ensured that conditions are set on market terms and that thereby a significant dilution is prevented if the bookbuilding procedure is implemented. In the bookbuilding procedure, the terms and conditions of the Bonds will be set on the basis of purchase orders of investors, thereby enabling the total value of the Bond to be determined on market terms.

In addition, an authorization to exclude the subscription rights for fractional amounts is to be granted. This is to ensure a practicable subscription ratio regarding the amount of the respective issue. Without the exclusion of subscription rights for fractional amounts, the technical execution of the capital increase and the exercise of subscription rights would be significantly more difficult, particularly for Bond issuances of round sums.

Finally, it is possible under the aspect of anti-dilution protection to exclude the subscription rights in favor of the holders of Bonds already issued since, as a rule, they are entitled to such protection in accordance with the Bonds' terms and conditions. In order to facilitate the placement, anti-dilution protection often envisages, in addition to the possibility of reducing the conversion or option price, that the holders or creditors of the Bonds or warrants can be granted a subscription right to new shares also for a subsequent issue of further Bonds, equivalent to the subscription rights of the shareholders. They are thereby put in the same position as if they were already shareholders. Granting a subscription right offers the possibility of preventing a situation where the conversion or option price of Bonds previously issued has to be reduced. This ensures a higher issue price of the shares that are issued when implementing the conversion or exercising the option. In order to grant subscription rights as anti-dilution protection to the holders of Bonds previously issued, the shareholders' subscription rights to the new Bonds used for this purpose must be excluded.

In order to protect shareholders' rights more extensively, the calculated proportion of the capital stock attributable, in aggregate, to shares to be issued or granted with the exclusion of subscription rights on the basis of conversion or option rights or conversion obligations under Bonds that are issued based on this authorization is limited to €72,664,519.00 nominal, i.e., no more than 10% of the Company's capital stock at the time the resolution on this authorization is adopted. Included in the above-mentioned capital limit shall be the pro rata capital stock attributable to treasury shares sold or used during the term of this authorization with the exclusion of subscription rights, unless they are used for share-based compensation or employee share programs, including for Executive Board compensation. Included in it shall also be the pro rata capital stock that is attributable to new shares issued from authorized capital with the exclusion of subscription rights during the term of this authorization (with the exception of their issue for share-based compensation or employee share programs, including for Executive Board compensation, and in the case of an exclusion of subscription rights for fractional amounts) or to shares that that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of the authorization proposed under Agenda Item 11, with shareholders' subscription rights excluded.

The Executive Board will carefully consider on a case-by-case basis whether use of the authorization is in the interests of the Company and its shareholders.

Berlin, December 2, 2022

sgd. Christian Bruch | sgd. Maria Ferraro

sgd. Tim Oliver Holt | sgd. Karim Amin

sgd. Anne-Laure Parrical de Chammard | sgd. Vinod Philip