



Joe Kaeser
Chairman of the Supervisory Board
Siemens Energy AG



Dr. Christian Bruch
Chief Executive Officer
Siemens Energy AG

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Dear Shareholders,

This year, the German legislator has created a reliable legal framework that provides a decent alternative to a physical shareholders' meeting. Unlike the limited virtual shareholders' meetings held during the past two years on the basis of special pandemic provisions, the new virtual format will address important shareholders' rights.

At the same time, the benefits of a virtual event are retained:

- The active participation of many shareholders, including international ones
- Reduced travel expenses and lower CO₂ emissions
- Lower event costs

As the new law provides the necessary legal certainty for a virtual shareholders' meeting and supports the use of digital technology, it takes into account the interests of companies and shareholders alike.

For the aforementioned reasons and in light of a still dynamic COVID-19 presence, the Executive Board and Supervisory Board decided in December that the Annual Shareholders' Meeting of Siemens Energy AG on February 7, 2023, will be held in the new virtual format.

Our focus will be on ensuring a truly interactive dialog with you that you know from face-to-face events. You will therefore be able to address your statements, questions and motions to us "live" by way of video communication.

To keep the flexibility for future annual shareholders' meetings, we are proposing a corresponding amendment to the Articles of Association to allow us to use the option of a virtual annual shareholders' meeting. However, the legally permitted authorization period of five years will not be exploited in full but restricted to two years instead. So, we will learn from the experiences made and review our proposals for the future, then.

Siemens Energy operated in a challenging environment during fiscal 2022. Nevertheless, Gas and Power (GP) delivered a solid performance characterized by strong orders and increased profitability year-over-year, demonstrating business resilience. However, the overall performance of Siemens Energy was held back by the negative development at Siemens Gamesa Renewable Energy (SGRE). Decisive actions have been taken to fix this long-term very attractive business in due time.

In the current fiscal year, Siemens Energy is aiming for the integration of SGRE. This will enable Siemens Energy and SGRE to leverage their joint potential and make better use of the opportunities harbored by the global energy markets. The first step will be to simplify existing processes and establish more efficient governance structures. In the midterm, the company strategy will emphasize the benefits of a fully integrated energy company ensuring a sustainable energy transformation aiming at attractive shareholder returns.

To achieve these objectives, Siemens Energy made a voluntary cash tender offer for all outstanding shares in SGRE in May 2022. On December 19, the Spanish stock exchange regulator CNMV confirmed an acceptance rate of 77.88%, so that Siemens Energy held 92.72% of SGRE shares at that time.

The financing of the transaction, including our intention to raise up to €2.5 billion with equity or equity-like instruments, is designed to support this key objective. We already placed a mandatory convertible bond with a nominal value of €960 million on September 6, 2022. In the future, too, we must be able to act flexibly and in line with the prevailing market situation when it comes to the further financing of the transaction and other financing requirements at Siemens Energy. For this reason, we ask you to approve those items on the agenda that will authorize management to take the necessary capital measures.

In the past fiscal year, the company reduced hierarchies and established clearer responsibilities. Since October 1, 2022, Siemens Energy has been operating in a new structure and now reports as four business areas:

- Gas Services
- Grid Technologies
- Transformation of Industry
- Siemens Gamesa Renewable Energy

The new organizational model also ensures greater transparency, higher speed and is fostering responsibility and accountability. The new organization is aimed at making Siemens Energy a strong, resilient and profitable company, which is a benchmark in the space.

As of the new fiscal year, the Executive Board was strengthened by two new members. Anne-Laure Parrical de Chamard is responsible for the Transformation of Industry business area, which mainly focuses on reducing energy consumption and CO₂ emissions in industrial processes. Vinod Philip, formerly Head of Strategy and Chief Technology Officer, has been appointed as the Executive Board member responsible for Global Functions (including IT, Procurement and Innovation). Both of them are

international managers and empathic leaders with excellent knowledge of the energy business.

We look forward to continuing our dialogue with you.



Joe Kaeser
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