Dear valued shareholders,

It has been an exciting and intense year for Siemens Energy and its employees. Now, that Siemens Energy listed on September 28, 2020, we are happy to welcome you as one of our shareholders. This is the first edition of our shareholder letter, in which we would like to introduce Siemens Energy and its financial performance to you.

Last Tuesday, CEO Christian Bruch together with CFO Maria Ferraro presented Q4 and full year results of fiscal 2020.

“I am proud how our Siemens Energy team managed the macroeconomic challenges, successfully executed the spin-off of our company while further streamlining our portfolio. We have fully achieved our fiscal year 2020 guidance and confirm our outlook for fiscal year 2021. With an outstanding and committed team we look forward to the transformation journey that lies ahead of us, as we are opening a new chapter as Siemens Energy,” said Christian Bruch.

Even though the Covid-19 pandemic was omnipresent and affected our operational performance and financial results, we have been able to support our customers to maintain their critical infrastructure in operation.

Let me shortly summarize the financial results in a nutshell:

In fiscal 2020 orders rose by 1% with a book-to-bill ratio of 1.24 resulting in a year-end order backlog of €79bn. Revenue decreased by 5% while Adj. EBITA before Special Items (SI) was close to break-even at €(17)m, being clearly within the margin guidance range of (1)% to +1%. A positive contribution from segment Gas and Power (GP) of €254m (+1.4%) was largely offset by a loss at our other segment Siemens Gamesa Renewable Energy (SGRE) of €(249)m ((2.6)%). Despite net loss of €1.9bn, we generated a free cash flow pre-tax of €977m.

In Q4 in fiscal 2020 orders went down by 24% due to strong order intake in the prior-year. Revenue declined by 8% mainly driven by GP. Adj. EBITA before Special Items declined from €523m to €70m. Despite Covid-19, rising costs related to increased guarantee fees, the substitution of parent company guarantees and ongoing project execution challenges at SGRE, both segments reported positive results. Free cash flow pre-tax was strong at €704m.

At the event Christian Bruch presented as well Siemens Energy’s future coal strategy, which we further detail on page 4.

Dear shareholders, I hope that you enjoy our first shareholder letter. Your feedback is always welcome. Thank you very much for your trust in our company.

I wish you and your family a merry Christmas and all the best for the new year. Stay healthy!

Best regards,

Michael Hagmann | Head of Investor Relations
Siemens Energy – A first introduction

Siemens Energy AG is a world leader in the energy sector with a global presence in over 90 countries and approximately 1/6 of total global electricity generation is based on Siemens Energy AG’s technologies. Its innovative products support customers in transitioning to a more sustainable world, with more than 50 percent of its portfolio already decarbonized.

Siemens Energy is organized in two reportable segments – “Gas and Power” and “Siemens Gamesa Renewable Energy”. Gas and Power consist out of the three divisions Generation, Industrial Applications and Transmission as well as Other Operations including New Energy Business.

Siemens Energy Company Setup

<table>
<thead>
<tr>
<th>Siemens Energy AG</th>
<th>Siemens Gamesa Renewable Energy (&quot;SGRE&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gas and Power (&quot;GP&quot;)</strong></td>
<td><strong>SGRE</strong></td>
</tr>
<tr>
<td>Generation</td>
<td>67% owned</td>
</tr>
<tr>
<td>Central</td>
<td>Offshore</td>
</tr>
<tr>
<td>#2</td>
<td>#3</td>
</tr>
<tr>
<td>Distributed</td>
<td>Onshore</td>
</tr>
<tr>
<td>#1</td>
<td>#1</td>
</tr>
</tbody>
</table>

Market position per division (FY19)

As a pure play company active along the entire energy technology and service value chain, Siemens Energy AG has a comprehensive and differentiated offering of products, solutions and services. Its broad technology base, comprising both fuel-efficient conventional as well as renewable energies, enables Siemens Energy to meet the increasing global energy demand while at the same time supporting efforts to reduce greenhouse gases.

Siemens Energy Executive Board

Christian Bruch
CEO

Maria Ferraro
CFO

Jochen Eickholt
Member of the Executive Board

Tim Holt
Member of the Executive Board

The Company’s executive board has four members. Dr.-Ing. Christian Bruch acts as CEO of the Company. Maria Ferraro acts as CFO, while Tim Oliver Holt acts as Segment Manager for the Gas and Power segment (Transmission) and the SGRE segment and as Labor Director. Dr.-Ing. Jochen Eickholt acts as Segment Manager for the Gas and Power segment (Generation and Industrial Applications).
Siemens Energy Service Business

We are determined to transform Siemens Energy into a product-led service company with significant contributions from services across all businesses. Gas and Power has a large installed base >90,000 service-relevant units and >100 GW installed capacity at SGRE globally. This provides the foundation of our resilient and high-margin service business.

The services offered are maintenance, spare parts, modernizations and upgrades and increasingly digital services. Our leading-edge product portfolio does not just help us to grow the installed base, but also feeds our modernization and upgrade activities, which are on average due after 20 years where we can often achieve significant efficiency improvements for the customer.

Digital services and innovation allow for an optimization of our customers’ fleets, remote monitoring and predictive maintenance often enhancing availability and capacity of our customers’ installations.

Growing electricity market leading to opportunities for Siemens Energy

Currently around 850 million people worldwide have no access to electricity and there is a growing demand due to new applications like data centers and e-mobility, but also the electrification of industries. Primary energy demand and final energy consumption are expected to grow in the medium- to long-term, despite ongoing increases in energy efficiency. The market is not only growing, but it is also transforming. Siemens Energy expects a growing share of renewables, and the reduction in coal. At the same time will gas remain a key enabler in the energy market.

Energy of Tomorrow: Improving existing business and driving transformation

We are implementing a two-phased strategy program to which we refer as “Energy of Tomorrow”. During the first phase (Accelerating Impact), which we expect to complete until the fiscal year 2023, we will focus and deliver on the fundamentals, co-create innovations and start the energy transformation. The second phase (Leading the Energy Transformation) is designed to make us the most-valued energy company, which electrifies countries and communities and is the best place to work.
Increase EBITA and Cash Conversion

The Accelerating Impact phase is expected to deliver an Adjusted EBITA Margin before Special Items in a range from 6.5% to 8.5% by the fiscal year 2023. In the mid-term, as a result of the Leading the Energy Transformation phase of our Energy of Tomorrow program, we target an Adjusted EBITA Margin after Special Items of at least 8%.

<table>
<thead>
<tr>
<th>Challenging market environment</th>
<th>Today</th>
<th>Accelerating Impact</th>
<th>Leading the energy transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7%</td>
<td>(1)-1%</td>
<td>≥8%1</td>
</tr>
<tr>
<td>2018</td>
<td>5%</td>
<td>3.0-6.0%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>5%</td>
<td>6.5-8.5%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
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<td></td>
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</tbody>
</table>

Drive EBITA and cash focus
- Resize footprint and portfolio
- Reduction of non-conformance cost
- Improve gross margins in project business
- Build capabilities in best-cost countries

We target a Cash Conversion Rate of 1 minus the CAGR of revenue, excluding portfolio effects and currency effects, over the fiscal years 2021 to 2023. Pursuant to our dividend policy in respect of fiscal years 2020 and following, we intend to propose a dividend in a distribution volume of 40% to 60% of the Group’s net income attributable to shareholders of Siemens Energy AG.

New company programs to accelerate profit improvements

We have set a clear path to deliver global cost savings through stringent cost out and optimization programs, which both segments have already initiated and which are on track.

<table>
<thead>
<tr>
<th>Gas and Power</th>
<th>Annual gross cost savings by FY23</th>
<th>SGRE LEAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized savings</td>
<td>~€500 m Offset by lower business volume</td>
<td>Innovation</td>
</tr>
<tr>
<td>Savings to come</td>
<td>&gt;€500 m Full impact on bottom line</td>
<td>Productivity and Asset Management</td>
</tr>
<tr>
<td>Already identified</td>
<td>&gt;€300 m Focus on implementation</td>
<td>Operational Excellence</td>
</tr>
</tbody>
</table>

Driving R&D with focus on tangible returns and longer term potentials

In fiscal year 2019 we had Research and development expenses of ~ €1bn, which we believe are fundamental to our success. We steer the R&D activities of our approx. five thousand R&D employees (as of June 30, 2020) active in fifteen R&D centers along a clearly defined strategy. Going forward, we will develop the portfolio with clear focus on sustainability, service and new growth fields.

Selected R&D examples
- ~145 MW of floating power to Dominican Republic
- Electrolyzer: >75% System efficiency
- Additive Manufacturing drives productivity
- SensProducts™: IoT connected grid
- Key facts
  - €1 bn R&D spend
  - ~5,000 R&D employees
  - ~24,200 single patents and utility models
- Future R&D strategy
  - Strict capital return criteria for allocation
  - Focus areas: Service and sustainability
  - Co-creation and partnering in innovation
Coal Strategy – step towards a sustainable portfolio

Effective immediately, Siemens Energy will no longer participate in new tenders for pure coal-fired power plants. Siemens Energy will still meet the existing commitments for coal-fired power plant projects, including binding offers. It will also continue its CO2-reducing service and solutions business, e.g. combined heat and power (CHP) projects. Siemens Energy is now further analyzing with the requisite care what specific consequences this step will have for its employees and sites that are concerned. Siemens Energy will now discuss with its partners in the field of coal-fired power plant technology about the consequences of the decision for the partnerships.

Accompanying its customers on the path of energy transformation and providing the necessary technologies and solutions – that is the mission of the company. With this step, Siemens Energy continues its transformation towards a more sustainable and growth-oriented portfolio.

Our sustainability is at the core of our actions

Our mission

Supporting our customers in transitioning to a more sustainable world, based on our innovative technologies and our ability to turn ideas into reality.

Management commitment

<table>
<thead>
<tr>
<th>Climate neutral</th>
<th>Green electricity</th>
<th>Gender diversity</th>
<th>Safety leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>in own operations by 2030</td>
<td>100% of own power consumption by 2023</td>
<td>25% by 2025</td>
<td>leading safety performance in our industry</td>
</tr>
<tr>
<td>25% by 2030</td>
<td>30% by 2030 (females in management level 1 and 2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our outlook for fiscal year 2021

We expect global macroeconomic development to remain subdued in fiscal 2021, with risks particularly related to geopolitical and geo-economic uncertainties. Our markets tend to have a limited effect to economic cycles and our businesses especially our service business is characterized by a high level of resilience. Nevertheless, we observe with concern the resurgence of the global pandemic Covid-19 and increasing local lock-down situations. In many countries our operations are deemed system critical and thus are exempted from many measures imposed by authorities.

We confirm our guidance for fiscal year 2021 as presented at our Capital Market Day on September 1st, 2020 and in our prospectus:

- For Siemens Energy in fiscal year 2021 we expect nominal revenue growth to be in the range of 2%-12% and an Adj. EBITA margin before Special Items of 3%-5%.
- For our Gas and Power segment in fiscal year 2021 we assume a return to revenue growth compared to the fiscal year 2020 and thus nominal revenue growth to be in the range of 2%-11% and an Adj. EBITA margin before Special Items of 3.5%-5.5%.
- Our Siemens Gamesa Renewable Energy segment is expected to grow its revenue by 3%-12% nominally, driven by the conversion from existing order backlog as well as a stable development of the service and product business and achieve an Adj. EBITA margin before Special Items of 3%-5%.

This guidance does not reflect further financial impact from Covid-19 during fiscal year 2021. We are monitoring the recent spike in new infections with concern and evaluate appropriate measures as it pertains to our guidance.

This outlook excludes charges related to legal and regulatory matters.

Financial Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Release</th>
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</thead>
<tbody>
<tr>
<td>February 2, 2021</td>
<td>Q1 FY2021</td>
</tr>
<tr>
<td>February 10, 2021</td>
<td>SE AGM</td>
</tr>
<tr>
<td>May 5, 2021</td>
<td>Q2 FY2021</td>
</tr>
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</table>

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Information and Forward-Looking Statements

This document contains statements related to our future business and financial performance, and future events or developments involving Siemens Energy that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project,” or words of similar meaning. We may also make forward-looking statements in other reports, prospectuses, in presentations, in material delivered to shareholders, and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens Energy’s management, of which many are beyond Siemens Energy’s control. These are subject to a number of risks, uncertainties, and other factors, including, but not limited to, those described in disclosures, in particular in the chapter “Report on expected developments and associated material opportunities and risks” in the Annual Report. Should one or more of these risks or uncertainties materialize, should acts of force majeure, such as pandemics, occur, or should underlying expectations including future events occur at a later date or not at all, or should assumptions prove incorrect, Siemens Energy’s actual results, performance, or achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens Energy neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

This document includes supplemental financial measures – that are not clearly defined in the applicable financial reporting framework – and that are or may be alternative performance measures (non-GAAP measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens Energy’s net assets and financial position or results of operations as presented in accordance with the applicable financial reporting framework in its consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.