Siemens Energy & Siemens Gamesa Renewable Energy
Shaping the Integrated Energy Technology Leader
21 May 2022
Siemens Energy announces a voluntary cash tender offer at €18.05 per share with the intention to delist and integrate SGRE

Shaping the integrated energy technology leader

Wind is an important pillar in the strategy of Siemens Energy

SGRE’s current financial performance creates the need for action

Integration decisively addresses current challenges at SGRE and will generate value for both shareholder groups

Siemens Energy can stabilize SGRE’s business through close involvement in day-to-day operations, while reducing complexity with a streamlined governance model

Wind offers attractive growth potential, and together we are best positioned to support our customers in the energy transition

Up to ~€300M cost synergies p.a. expected within 3 years after full integration

Siemens Energy is and remains committed to a solid investment grade rating

Transaction is expected to close during second half of 2022
SGRE’s current performance creates the need for action – Now is the right time to integrate SGRE …

- Second profit warning this year and multiple since 2020
- Profit and cash flow well below original expectations

- Product development and introduction of new technologies
- Supply chain and procurement related mechanisms
- Project execution especially for large projects

- Supply chain disruptions and inflationary pressures

Now is the right time for Siemens Energy to take action and leverage the benefits of an integration
... and execute a meaningful and decisive next step on our strategic roadmap to lead the Energy Transition

Accelerating Impact
- Focus and deliver on the fundamentals
- Co-create innovations with customers and partners
- Starting the Energy Transition

Leading the Energy Transformation
- Most valued Energy Technology company
- Electrifying countries and communities

2021 2023 2025 2030

Powered by our people and our values

May 2022
Through integration, SGRE will significantly benefit from Siemens Energy’s expertise and support which will help achieve its turnaround.

Manufacturing excellence
- Production ramp-up expertise
- Global manufacturing footprint

Project excellence
- Project scope
- Project selection
- Project execution
- Access to resources and joint teams

Portfolio development & supply chain
- Logistics expertise
- Technical excellence
- Supply chain access / management
- Strategic partnership

Market access
- Global sales footprint
- Service network
- Risk sharing models with customers

Financial markets & Governance
- Strong and simplified governance model
- Joint treasury / cash pooling
- Balance sheet access
- Reduced complexity
The transaction will further strengthen Siemens Energy’s capabilities to offer an integrated and holistic solutions portfolio.

<table>
<thead>
<tr>
<th>Three strategic pillars</th>
<th>Market leading positions</th>
<th>Group’s key facts (FY 21)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low- or zero-emission power generation</td>
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<td>€28.5 bn</td>
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<tr>
<td>Transport and storage of electricity</td>
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<td>Sales</td>
</tr>
<tr>
<td>Reducing the CO₂ footprint and energy consumption in industrial processes</td>
<td>Industrial processes</td>
<td>€84.0 bn</td>
</tr>
</tbody>
</table>

Group's key facts (FY 21):

- **Sales**: €28.5 bn
- **Order backlog**: €84.0 bn
- **Service revenue**: 33%

1 Market position relates to Siemens Energy’s “Transmission” business

May 2022
Wind plays a crucial and increasingly important role to enable a sustainable future...

Increasing share of wind in energy mix ...

Shift of resource base (2018 – 2040)

- Wind
- Solar
- Gas
- Nuclear
- Hydro
- Coal
- Oil

... reflected in high growth rates and increased service potential

Annual global offshore wind installations, excl. China (GW)(1)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY21</th>
<th>FY25</th>
<th>FY30</th>
</tr>
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<tbody>
<tr>
<td>Power</td>
<td>3</td>
<td>11</td>
<td>27</td>
</tr>
</tbody>
</table>

Annual global onshore wind installations, excl. China (GW)(1)

<table>
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<th>Year</th>
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<th>FY30</th>
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<tbody>
<tr>
<td>Power</td>
<td>48</td>
<td>40</td>
<td>47</td>
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</tbody>
</table>

Global installed capacity in wind, excl. China (GW)(2)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY21</th>
<th>FY25</th>
<th>FY30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>500</td>
<td>680</td>
<td>950</td>
</tr>
</tbody>
</table>

Source: BloombergNEF, IHS Markit Energy and Climate Scenarios, July 2021 (Green Rules); shift of resource base related to electricity generation
1 Based on BloombergNEF, 2H 2021 Global Wind Market Outlook
2 Based on BloombergNEF, Wind Cumulative Installed Capacity and Forecast by Country (2022)
May 2022
... and post-integration, SGRE will be best positioned to capture the opportunity

SGRE’s market leading positions in attractive segments

1. **Offshore**
   - Market leader, best positioned to satisfy fast-growing offshore demand

2. **Service**
   - Strong service and digitalization opportunity from extensive installed base

3. **Onshore**
   - Leading position in large Onshore market, well positioned for further growth

SGRE’s key facts (FY21)

- **€10.2 bn** Sales
- **€33 bn** Order backlog
- **€17 bn** Service backlog

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1. Based on global installed base (ex. China) (BloombergNEF Wind Turbine Market Share Dashboard (May 2022))
2. Based on fleet under management (ex. China) (Wood Mackenzie Global Wind Power Project Installation Database)

May 2022
Integration will allow Siemens Energy and SGRE to deliver to their full potential...

Cost Synergies\(^1\)
Up to $\text{~€300M}$ profit impact

- Supply chain and logistics synergies
- Project execution excellence
- Joint and integrated R&D efforts
- Cost reduction through an optimized administrative setup

Growth Synergies\(^2\)
Mid triple digit topline impact

- Joint go-to-market approach
- Fully integrated and complete energy offering
- Value-add through data driven capabilities

Improved profitability, predictability and growth with higher earnings stability

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1 p.a. within three years after full integration
2 p.a. by the end of the decade

May 2022
...create substantial benefits for all stakeholders...

**Customers**
- Stronger offering of more complex, integrated solutions
- Improved support in customers’ energy transition strategies
- Unified customer coverage approach across full energy spectrum

**Suppliers**
- Enhanced supplier/product focus
- Increased volumes
- Deeper relationship with strategic suppliers

**Shareholders**
- Improved cost structure and accelerated turnaround
- New opportunities in the attractive Wind market
- Robust & solid cash management and dividend capacity

**Employees**
- Augmented career opportunities and work environment
- Spain continues to play central role in Siemens Energy’s operations
- Fully maintaining SGRE’s operations in the Basque country

**Society**
- Broader clean energy offering
- ESG leader
- Strong support to local communities
Long-term value driven by:

**Simplification**
- Simplified and more coherent structure
- More efficient control and better governance
- Fully integrated and complete energy offering
- Single and broader go-to-market approach
- Improved project execution
- Unified supply chain and logistics
- Efficient, focused and coordinated capital management
- Streamlined R&D activities
- Enhanced data driven capabilities and value-add

**Joint strategy**

**Cost reduction**

…and unlock significant value
Key terms of the voluntary cash tender offer with intention to delist

Transaction structure

- Voluntary tender offer covering all outstanding shares of SGRE with intention to delist
- The audit firm PwC was engaged as an independent valuator to issue a valuation report in order to comply with Spanish rules on delisting

Purchase price

- €18.05 per share
- 27.7% over SGRE’s last unaffected closing price on 17 May 2022
- The offer price exceeds the 6-month Volume Weighted Average Price ("VWAP") of the SGRE share prior to the date of this announcement

Tentative timeline

- 21 May 2022
  Public offer announcement
- Mid-September\(^1\)
  Public offer launch
- 4 – 5 weeks\(^2\)
  Acceptance period
- October
  Announcement of tender results
- November
  SGRE EGM to approve delisting
- By end of CY 2022
  Transaction completed

\(^1\) Tentative timeline subject to CNMV review and overall process
\(^2\) 15 – 70 days acceptance period to be determined by Siemens Energy
\(^3\) Calculated in accordance with Spanish market practice and Spanish Takeover Regulations

May 2022
Envisaged offer funding and rating commitment

Funding requirement

• Funding requirement driven by tender offer acceptance
• Assuming a 100% offer acceptance (i.e. by all SGRE minority shareholders), transaction value amounts to approximately €4.0bn (at an offer price of €18.05)

Rating commitment

• Balance sheet strength is a core part of Siemens Energy’s strategy
• Siemens Energy is and remains committed to a solid investment grade credit rating
• Financing package designed to support this key objective

Funding structure

• The funding of the acquisition is fully underwritten by Bank of America and J.P. Morgan
• Assuming a full acceptance of the offer, Siemens Energy intends to finance up to € 2.5 billion of the transaction value with equity or equity like instruments
• The remainder of the transaction would be financed with debt as well as cash on hand
• As a first step, equity may be offered without subscription rights, subject to market conditions
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