

**SPEECH FOR OPENING OF THE ANNUAL SHAREHOLDERS' MEETING 2022 OF  
SIEMENS ENERGY AG**

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**Chairman of the Supervisory Board of Siemens Energy AG**

**Berlin, February 24, 2022**

The version published here in advance reflects the content of the main part of the speech by the Chairman of the Supervisory Board. Some parts of the formal information on the course of the General Meeting are not included. The speech given orally during the General Meeting may deviate from this preliminary draft, in particular to take current developments into account. The speech as orally delivered in German shall prevail.

Check against delivery.

## **Dear Shareholders, Ladies and Gentlemen,**

As Chairman of the Supervisory Board, I hereby call the 2022 Annual Shareholders' Meeting of Siemens Energy AG to order and assume the chair of the meeting as provided in the Articles of Association. I am very pleased that we are reporting to you today on our first year as an independent DAX40 company. Just a few months after the listing on the Frankfurt Stock Exchange, we were promoted into the DAX30. This was both a gratifying recognition of the importance and potential of Siemens Energy and an obligation to soundly and successfully leverage this potential.

Siemens Energy has reoriented itself in the midst of the challenging yet necessary energy transition. In the midst of the COVID-19 pandemic, 92,000 employees have provided customers throughout the world with the best possible support – while continuing to drive digitalization of important processes like customer service. They are helping to ensure that critical infrastructure continues to function reliably under difficult conditions. Therefore, on behalf of the Supervisory Board, I would like to sincerely thank all employees around the world for their commitment and engagement.

## **Interactive dialogue at general meetings is important to us**

Unfortunately, the pandemic is again forcing us to hold our Shareholders' Meeting virtually this year – without the physical presence of the shareholders or their proxies. For the Supervisory and Executive Boards of Siemens Energy, personal interaction with you is especially important yet only possible with an in-person shareholders' meeting.

The Federal Ministry of Justice has just presented draft regulations for stock corporations to hold virtual shareholders' meetings. The draft contains many good and important ideas for guaranteeing shareholder rights while offering companies the necessary legal certainty. We welcome this initiative and hope that it will soon become a reality. Swiftly ensuring legal clarity is important for the shareholder culture and for shareholder rights in Germany.

Today, however, we unfortunately still must comply with the provisional legal framework. Regrettably, shareholders therefore do not have the right to speak, ask questions or make motions during this Shareholders' Meeting. However, all registered shareholders and their proxies were able to submit questions via our Internet service until midnight, February 22, 2022. We have made changes over the previous year to improve the situation.

This year, for the first time, you were able to submit speeches in writing or as a video message in advance. We will show all video messages at the beginning and during the block of questions. These messages are also available in the Internet service for the Shareholders' Meeting. This year for the first time, you also had the opportunity to respond to the speeches by Dr. Bruch and me. We published the scripts of both speeches on our website on February 18. In addition, questions could also be submitted in English. With this change, we are taking particular account of the company's large international shareholder base. We believe these measures have improved the shareholders' right to ask questions in advance.

### **Tasks of the energy transition: the fight against climate change – and the fight to preserve prosperity, peace, and fundamental freedoms**

Siemens Energy is helping to meet and master one of the greatest challenges of our times: ensuring a reliable, affordable, and sustainable electricity supply for humankind. It is the issue of our times: the fight against climate change – and the fight for securing prosperity, peace, and fundamental freedoms. The climate crisis dominates election campaigns and summit meetings. Environmental movements have rightly made their voices heard – not just on Fridays. Investors are increasingly demanding that companies adopt rigorous sustainability strategies. The issue of our time has arrived in society. But more importantly, the countless discussions and announcements now need to be followed up by concrete, measurable efforts.

This is evident. Yet what is meant by “prosperity, peace and fundamental freedoms”?

This means an energy transition –

- that creates jobs in green technologies and gives future prospects to those whose jobs in the fossil energy sector will be lost;
- that provides reliable and affordable electricity to the hundreds of millions of people who still have no access to electricity today;
- and that employs world-class innovations to provide scalable solutions that can be used worldwide.

### **Rigorous implementation of the "Energy of Tomorrow" strategy**

In the past fiscal year, Siemens Energy rigorously implemented the first part of its “Energy of Tomorrow” strategy. This first part aims to transform the company into a leading full-service provider of sustainable energy technology. Much has been accomplished. We can be very satisfied with the development of the Gas and Power (GP) business. Its management has stabilized the business and realigned Gas and Power. We made faster progress here than planned, despite adverse circumstances.

### **Fast progress at Gas and Power – despite adverse circumstances**

“Team Purple”, as they call themselves, has done a good job, particularly considering that this is a young company in its first year as an independent company. Nor should one forget the challenges presented by the structural change from fossil to renewable energy. Siemens Energy undertook important initiatives here – such as concluding a “Future Agreement” that establishes a reliable, socially responsible framework in the event that structural adjustments have to be made. This was not an easy task. That’s why I’d also like to personally thank the employee representatives and Mr. Robert Kensbock in particular.

### **Business performance at Siemens Gamesa unsatisfactory – need for operational improvement and consistent leadership**

However, the business performance of Siemens Gamesa Renewable Energy S.A. (SGRE), in which Siemens Energy holds a majority stake, was not satisfactory. In the past fiscal year, Siemens Gamesa accounted for roughly 36 percent of Siemens Energy’s revenue and nearly 37 percent of its order intake.

### **Power generation with renewables at the core of the energy business of the future**

Over the long term, power generation with renewable energies will play a leading role at Siemens Energy. Together with power transmission, storage and conversion, it will be the core of the energy business of the future. With this in mind, the Executive and Supervisory Boards intensively considered alternative courses of action for the business. The appointment of Dr. Jochen Eickholt as the new CEO as of March 1, 2022, addresses the need for operational improvements and consistent leadership at SGRE. This marks the first step in the realignment of an important future business field for a modern energy company.

Karim Amin will succeed Mr. Eickholt on the Executive Board of Siemens Energy on March 1, 2022. Mr. Amin previously served as Executive Vice President of the Generation Division at Siemens Energy. I think highly of Mr. Amin as an experienced and excellent manager with a great passion for people, and with notable enthusiasm for customers and for the energy business in general. On behalf of the Supervisory Board, I wish Mr. Amin a good start and much success. Good luck, Karim!

## **Real transformations are painful before they start to shine**

In this first year of independence, Siemens Energy has both achieved a lot and learned a lot: for example, that even major changes are possible and can have a positive impact if they are tackled boldly and consistently and clearly explained – but also that building a new company takes time and patience, particularly when it involves what may be the biggest restructuring ever in the energy industry. The fact is: real transformations are painful before they start to shine.

## **Topics addressed by the Supervisory Board in the past financial year**

Let me turn now to the Report of the Supervisory Board, which is also part of Item 1 on the agenda of today's Shareholders' Meeting. You can find the detailed report on pages 136 to 141 in the Annual Report. In my following remarks, I will concentrate on some key areas of the work of the Supervisory Board. I'd then like to explain some changes in the company's compensation system and sketch the steps we have taken to ensure the independence of the Supervisory Board. The Supervisory Board held seven regular meetings in the past fiscal year. Two resolutions were passed using the written procedure.

In addition to the "traditional" tasks such as supervision of the operational business, auditing the financial statements, and dealing with the compensation system, the following topics were front and center:

- First, the Supervisory Board dealt intensively with the implementation of the first stage of the "Energy of Tomorrow" strategy program. This stage is called "Accelerating Impact" and aims at sustainably improving the company's operational performance and bringing Siemens Energy to a sustainable margin level for the long term.
- Second, the Supervisory Board focused on a dialogue with the Executive Board regarding the development and adoption of a long-term technology strategy for the company. The energy world is changing rapidly. Digitalization, decentralization, and decarbonization are strong trends affecting the energy business. They have a serious impact on future topics like renewable energies, storage, and hydrogen. As a result, they will offer attractive business opportunities for Siemens Energy.
- Third, the Supervisory Board kept its eye – albeit indirectly – on market developments, operational performance, and the strategic orientation of Siemens Gamesa. The renewed profit warning issued on July 14, 2021, underscored the need for stronger leadership at and more effective supervision of Siemens Gamesa.

- Fourth, in practically every meeting of the Supervisory Board, we addressed how the company was dealing with the effects of the COVID-19 pandemic. The health and safety of the employees was and remains a top priority. Working in close cooperation with our customers and suppliers, the company ensured that critical infrastructures could continue to function. At the same time, the company helped slow the spread of the pandemic with its program of providing vaccinations and testing.

That roughly sums up the focal points of the Supervisory Board's work. Discussion with the members of the Executive Board is especially important for this work. I also keep in direct contact with the members of the Executive Board – Christian Bruch, Jochen Eickholt, Maria Ferraro and Tim Holt. The same is true for the Legal & Compliance functions. The Chief Compliance Officer, Dr. Anita Schieffer, has access to the Supervisory Board at all times and reports regularly to the Audit Committee at its meetings.

### **Dialogue with all stakeholders as part of corporate governance**

For me, as part of our corporate governance, dialogues with investors and with other stakeholders from politics, the scientific community, and environmental organizations and movements are also especially important. Topics of these exchanges included issues of governance, social responsibility, and sustainability. Siemens Energy is planning to set ambitious ESG targets that are consistent with its value chain. Mr. Bruch will discuss this in greater detail in his presentation.

For a company these days, it is no longer sufficient to just be economically successful. A company must achieve more: It has to create value for society in order to be highly regarded and considered relevant. Companies must meet this high demand today. And economic strength is the prerequisite for doing so.

### **Selective adjustments to Executive Board compensation within the existing system**

Siemens Energy's Executive Board compensation is intended to ensure that the work of the management is rewarded based on performance. It is also an instrument for attracting and keeping the best people for the company. As such, it is an important topic for the Supervisory Board. At our Shareholders' Meeting last year, you gave 96.7 percent approval to the compensation system for the Executive Board, a very large majority. However, there was also some critical feedback.

The Presiding Committee addressed your concerns and has proposed to the Supervisory Board to selectively adjust the Executive Board compensation for fiscal 2022 within the existing system.

What does that mean specifically?

- On the one hand, the free cash flow before taxes is now a financial indicator for the bonus. This indicator, together with the adjusted EBITA margin before special items, is intended to incentivize short-term improvements in profitability and cash flow. Further criteria for the individual target achievement of the bonus relate to ESG and thus to sustainability. In the bonus for fiscal 2022, each Executive Board member will not only be measured against business goals specific to his or her individual portfolio, but also against the progress made in health & safety and customer satisfaction. This includes setting an example for and promoting “zero harm” behavior – that is, avoiding accidents at work – and improving customer satisfaction.
- On the other hand, a criterion for the equity-based compensation will be improved as of 2022. We will use the S&P Global Clean Energy index as a new benchmark. Along with Siemens Energy, the index includes around 75 companies worldwide that generate a significant share of their revenue from clean energy activities. In making this change, we are taking into account the growing importance of decarbonization solutions.

For both the Executive Board and the Supervisory Board, transparent and easy-to-understand reporting on the compensation of the Executive Board is a matter of course. For this reason, we jointly decided to prepare and issue a Compensation Report for fiscal 2021 pursuant to § 162 of the German Stock Corporation Act. This report is intended to further strengthen transparency. The Supervisory and Executive Boards are presenting the Compensation Report of Siemens Energy AG for fiscal 2021 for your approval under Item 6 of the agenda.

### **Independence of the Supervisory Board ensured**

The independence of the Supervisory Board is an important asset. For good reason, this is anchored in practically all international supervisory regulations. As announced at the last Shareholders' Meeting, Prof. Dr. Ralf Thomas handed over the chairmanship of the Audit Committee after a transitional period. This step took place on December 3, 2021. The new Audit Committee Chair is Laurence Mulliez. I would like to thank Mr. Thomas for his outstanding commitment in establishing and leading this committee. Thank you, Ralf! I am pleased that you will continue to be available with your expert advice as a member of the Audit Committee.

In Laurence Mulliez we have found a worthy successor as Chair of the Audit Committee. She brings excellent experience from international supervisory boards. Laurence, thank you for your willingness to take on this important function. I wish you great success!

We have also underscored the independence of Siemens Energy AG from the Siemens Group by appointing a Lead Independent Director. Dr. Hubert Lienhard holds this position. As a member of the Presiding Committee, he was involved in all essential issues relating to the work of the Supervisory Board and its committees. This enabled him to at all times ensure the independence of the Supervisory Board in the best interest of the company and its shareholders.

### **Annual Financial Statements of Siemens Energy AG accepted – dividend proposal of €0.10 per share**

The Annual Financial Statements and Consolidated Financial Statements, together with the Combined Management Report of Siemens Energy AG and the Group for fiscal 2021, were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. Each received an unqualified audit opinion. The Executive Board and the independent auditor explained the documents for the Annual Financial Statements in detail to both the Audit Committee and the Supervisory Board. After its own review, the Supervisory Board approved those financial statements. The Annual Financial Statements of Siemens Energy AG are thereby accepted.

At this point, I would like to draw your attention to the following: On February 8, 2022, Siemens Energy AG announced in the electronic Federal Gazette that it would tender the mandate to audit the Statutory and Consolidated Financial Statements and the Combined Management Report for the fiscal year ending September 30, 2024. As decided in the Audit Committee, we will implement this swiftly and with due diligence.

The Supervisory Board agrees with the Executive Board's proposal to distribute a dividend of €0.10 per share entitled to a dividend.

### **Siemens Energy as a focused and innovative company**

It was right to establish Siemens Energy as a focused and innovative company in the field of energy technology – a company that is no longer part of a conglomerate and can now concentrate fully on its own business success. We are also seeing this growing trend toward the creation of “pure players” – companies focused on one industry – among other competitors. The difference? Siemens started down this path much earlier than others.

The company doing the “spinning off” initially benefited from this realignment, getting a higher valuation of future profits, the so-called “multiples.” In the medium term, Siemens Energy will also benefit from its industry focus, since it is no longer dependent on other parts of the Siemens Group for the allocation of resources.

## **Great team effort in an eventful year – a big thank you to everyone involved**

Siemens Energy's first year was eventful. It was marked by adaptations to the new conditions for an independent company. The promotion to the DAX30 came early but accelerated its establishment as an independent company. The colleagues worked extremely hard and accomplished great things during the ongoing pandemic. The management is making progress in transforming the company and is investing in the future.

## **The recipe for success: thinking, defining, and tackling change**

The will and ability to think, define and tackle necessary changes will continue to determine future failure or success. Only those who drive change manage to avoid being driven by others! Siemens Energy is changing – not only its own company, but the world of energy as well. My thanks to the management, the employees, the employee representatives, the customers and partners, and to all members of the Supervisory Board for the good and always constructive collaboration.

## **The ambition: most valued energy technology company in the world**

I really like Siemens Energy's ambition: to become the most valued energy technology company in the world. Because this vision is bold, and its outcome and implementation will help determine the development of a sustainable society. That's what makes it worth giving one's very best. Thank you!

## **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.

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