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

Report of the Executive Board on Agenda item 10

The existing Authorized Capital 2020 pursuant to Section 4 (5) of the Articles of Association has not been utilized to date. However, the Company placed a mandatory convertible bond in the total nominal amount of €960,000,000 on September 6, 2022. The shares to be issued to service this mandatory convertible bond would have to count toward any shares that are to be issued from the Authorized Capital 2020 with the exclusion of subscription rights.

In view of that, the Authorized Capital 2020 is to be canceled and replaced by a new Authorized Capital 2023 in order to give the Executive Board the flexibility to take capital measures involving the exclusion of subscription rights in future, too, against the background of the financing of the cash offer to purchase the outstanding shares of Siemens Gamesa Renewable Energy, S.A. This is to enable the Company to act quickly and flexibly without having to wait until the next Annual Shareholders’ Meeting or an Extraordinary Shareholders’ Meeting.

Therefore, the Executive Board and the Supervisory Board propose under Agenda Item 10 to cancel the authorization of the Company’s Executive Board pursuant to Section 4 (5) of the Articles of Association to increase, with the Supervisory Board’s approval, the capital stock during the period up until July 31, 2025, against contributions in cash and/or in kind (Authorized Capital 2020) and to replace it by a new authorized capital in the amount of €363.322.596,00 up until February 6, 2028 (Authorized Capital 2023) by way of an amendment to the Articles of Association.

In total, the volume of (i) shares that can be 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 shares from capital increases against contributions in cash under the Authorized Capital 2023 must generally be offered to the Company’s shareholders for subscription. With the approval of the Supervisory Board, the Executive Board is to be authorized to exclude this subscription right in certain cases.

The proposed authorization is initially to permit the exclusion of shareholders’ subscription rights in the event of capital increases against contributions in cash in order to grant new shares to members of the Company’s Executive Board, members of the representative body of a Group company within the meaning of Section 18 of the German Stock Corporation Act (AktG) or employees of the Company and its Group companies under share-based compensation or employee share programs.

Issuing shares to managers and/or employees is intended to enhance the identification of these persons with the Company and encourage their willingness to accept responsibility within the Company. As part of that, schemes with long-term incentive effects, such as lock-up periods, vesting periods or sales-deferring inducements, in which both positive and negative developments can be reflected are also possible. As a result, compensation can be geared toward the Company’s sustainable development. Such participation in the Company by employees and managers is also desired by legislators and therefore is facilitated in several ways.

Siemens Energy promotes participation by employees and managers in the Company and its development, where possible worldwide. The targets described above are currently being pursued at Siemens Energy AG and its Group companies (also jointly referred to as the Siemens Energy Group) using a variety of models for employee share programs and share-based compensation:

- As part of a Direct Match Program, eligible employees of the Company and certain Group companies and the representative bodies of certain Group companies have the opportunity, every year in which a new tranche of the program is issued, to invest a certain portion of their compensation in the acquisition of Siemens Energy shares at their market price and at the same time receive one additional free matching share for every three Siemens Energy shares purchased at the market price. The purchased and matching shares are subject to a vesting period of one year, during which they cannot be disposed of. The members of the Executive Board of Siemens Energy AG are not eligible to participate in the Direct Match Program.

- Selected employees and managers of Siemens Energy AG and its Group companies may be granted Siemens Energy shares likewise without their own previous investments with a vesting period that generally lasts several years, and these shares are transferred to them when the vesting period ends (”Siemens Energy Stock Awards”). As part of the Ratable Stock Awards Program, however, an annual pro-rata transfer of equal parts of a total number of granted shares over a term of several years is also possible. Grants of Siemens Energy shares without own previous investments with a vesting period of several years may also be linked to performance targets, such as targets related to increases in company value and/or sustainability, as provided for, in particular, under the Performance-oriented Siemens Energy Stock Awards for selected, prominent managers or also other programs which were implemented for employees and managers worldwide on a one-off basis on the occasion of the spin-off of Siemens Energy from the Siemens group.

- In addition, Siemens Energy shares can be transferred to eligible employees of Siemens Energy AG and its Group companies without any own investment to reward employees for their long service.

The Company is also to be given the flexibility to use new shares from the Authorized Capital 2023 for the purposes of Executive Board compensation, too. In accordance with the compensation system for the Executive Board of Siemens Energy AG, members of the Executive Board may also receive Siemens Energy shares as part of their compensation. The currently applicable compensation system was adopted by the Company’s Supervisory Board effective October 1, 2020, and approved by the shareholders at the Company’s Shareholders’ Meeting on February 10, 2021, with a majority of 96.7% of the votes cast. It can be viewed on the Company’s website at

https://www.siemens-energy.com/global/en/company/investor-relations/corporate-governance/executive-board-compensation.html .

If shares are granted to members of the Executive Board as part of Executive Board compensation, in accordance with the allocation of responsibilities under stock corporation law, the Company’s Supervisory Board, and not the Executive Board, will decide on the use of such new shares and the related exclusion of subscription rights.

The Authorized Capital 2023 is not intended to be available only for the above-mentioned existing share-based compensation programs and share-based compensation, but also for cases in which, to the benefit of employees of the Company and its Group companies, members of the representative body of a Group company and members of the Company’s Executive Board (in the context of the provisions on Executive Board compensation), new employee share programs and share-based compensation are introduced, including programs limited to individual companies, or when existing programs or compensation are extended or adjusted. Further conditions, such as vesting periods, lock-up periods, achievement of specific targets, the forfeiture and non-forfeiture of stock awards, as well as rules concerning the treatment of stock awards and shares subject to a lock-up period in special cases, such as in the case of retirement, disability or death, or prematurely leaving the Company, may also be defined for issue of the shares.

In addition, to the extent permitted under Section 204 (3) sentence 1 of the German Stock Corporation Act (AktG), the contribution to be paid on such new shares may be covered from the part of the annual net profit which the Executive Board and the Supervisory Board are permitted to incorporate into other retained earnings pursuant to Section 58 (2) of the German Stock Corporation Act (AktG). This facilitates the implementation of the issuance of shares and accounts for the fact that, in these cases, the issuance qualifies as compensation.

In order to protect shareholders from a dilution of their shareholding, the calculated proportion of the capital stock represented by the shares used for the purposes of employee participation or Executive Board compensation is limited in total as follows:

- The calculated proportion of the capital stock represented by the shares issued from the Authorized Capital 2023 as part of share-based compensation or employee share programs to employees of the Company and its Group companies within the meaning of Section 18 of the German Stock Corporation Act (AktG), to members of the representative body of a Group company of the Company, and to members of the Company’s Executive Board as part of Executive Board compensation may not exceed 10% of the Company’s capital stock. Furthermore, the calculated proportion of the capital stock represented by the shares issued from the Authorized Capital 2023 as part of such programs for the purposes of Executive Board compensation may not exceed 5% of the capital stock. Applicable in each case is the capital stock of the Company at the time this authorization becomes effective or, if this amount is lower, at the time at which this authorization is used.

- Repurchased treasury shares can also be used for the share-based compensation or employee share programs, to the extent this is legally permissible or such authorization has been given under a resolution adopted by the Shareholders’ Meeting pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The Shareholders’ Meeting on September 18, 2020, adopted such authorization, and a new authorization to this effect is proposed to the Shareholders’ Meeting on February 7, 2023, under Agenda Item 12. Nevertheless, the Company should also have the necessary flexibility to be able to issue shares as part of the above-mentioned programs, as an alternative or in addition to the issuance of treasury shares by using the Authorized Capital 2023, independently of any previous repurchase, without detriment to its liquidity. In order to protect shareholders, however, the above capital limit of 10% of the capital stock shall include the pro rata amount of the capital stock attributable to treasury shares used during the term of the

Authorized Capital 2023 pursuant to a corresponding authorization to use treasury shares in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) for the purposes of share-based compensation or employee share programs for employees of the Company and its Group companies or for members of the Company's Executive Board as part of Executive Board compensation; accordingly, treasury shares shall also be counted toward the above capital limit of 5% of the capital stock where they are used for purposes of Executive Board compensation for members of the Executive Board.

In order to be able to issue new shares from the Authorized Capital 2023 for the purposes of employee participation or Executive Board compensation, it is necessary to exclude the shareholders' subscription rights. Otherwise the Company and its shareholders would not be able to reap the benefits associated with the programs and share-based compensation. After weighing said circumstances, including the above-described limits, the Executive Board considers the exclusion of the shareholders' subscription rights in the cases mentioned to be objectively justified and reasonable to the shareholders, even after taking into consideration a possible dilutive effect.

The proposed authorization to exclude the subscription rights for fractional amounts serves to ensure a practicable subscription ratio with respect to the amount of the respective capital increase. 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 any capital increases with round sums. Normally, the value of such fractional amounts is low compared to the significantly higher administrative effort involved in the issuance without such an exclusion. The new shares excluded from the subscription rights as free fractional amounts will be used in the best interests of the Company. Due to the limitation to fractional amounts, the potential dilutive effect is low. The purpose of the exclusion of the subscription rights is to facilitate the issue process and is thus in the interests of the Company and its shareholders. When determining the subscription ratio, the Executive Board will, in the interests of the shareholders, take into account that the scope of fractional amounts is kept at a minimum.

Furthermore, it shall be possible to exclude, with the consent of the Supervisory Board, the subscription rights in order to grant subscription rights as compensation against effects of dilution to holders/creditors of conversion or option rights on the Company's shares or of respective conversion obligations from bonds issued or guaranteed by the Company or any of its Group companies to the extent to which they would be entitled upon exercising such conversion or option rights or fulfilling such conversion obligations. This enables granting a customary market form of dilution protection to the holders or creditors of such instruments. They are thus put in the same position as if they were already shareholders. In order to protect the bonds from such dilution, shareholders' rights to subscribe for such shares must be excluded.

The proposed authorization to exclude the subscription rights pursuant to Sections 203 (1) sentence 1, 203 (2), 186 (3) sentence 4 of the German Stock Corporation Act (AktG) in the event of a capital increase against contributions in cash serves the interests of the Company in achieving the best possible issue price when issuing new shares. The proceeds attainable in a placement with exclusion of subscription rights, in general, enable a significantly higher cash inflow than in the case of an issue with subscription rights, a main reason for this being that a placement without a statutory subscription period can take place directly after the determination of the issue price, which means that no risk of price changes must be taken into account with regard to the issue price for the time until the end of the subscription period. Additionally, a cash capital increase with exclusion of subscription rights can be used to issue shares, for example, to one or more specific investors or groups of investors and to seek to attract new groups of shareholders. Finally, the time-consuming and costly processing of subscription rights is avoided. The calculated proportion of the capital stock attributable to the shares issued in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) against contributions in cash with the exclusion of subscription rights must not exceed a total of 10% of the capital stock at the time this authorization becomes effective or, if this amount is lower, at the time this authorization is used. 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 the Authorized Capital 2023, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). These requirements account for the shareholders' need to protect their shareholdings against the risk of dilution in accordance with statutory provisions. Furthermore, the Executive Board will endeavor, taking into account the market conditions prevailing at the time, to ensure that any discount on the stock exchange price is as low as possible. Based on the fact that the issue price of the new shares is close to the stock exchange price, each shareholder has the possibility to purchase via the stock exchange the shares required for maintaining his or her percentage of ownership on nearly the same terms. It is therefore ensured that, in compliance with the legal interpretation of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), the shareholders' interests in terms of assets and voting rights are appropriately safeguarded when the Authorized Capital 2023 is used by way of a capital increase against contributions in cash with exclusion of subscription rights, while the Company is provided with more leeway for maneuver, which will benefit all shareholders.

The subscription right can also be excluded through the implementation of share dividends (also termed scrip dividends). This is intended to enable the Company to distribute a share dividend on optimum terms. In the case of a share dividend, shareholders are offered the opportunity to make a contribution in kind to the Company of all or part of their entitlement to payment of the dividend arising from the resolution on the appropriation of the net income adopted by the Shareholders' Meeting in return for new shares in the Company. A share dividend may be distributed in the form of a rights issue, in particular in compliance with the provisions of Section 186 (1) of the German Stock Corporation Act (AktG) (minimum subscription period of two weeks) and Section 186 (2) of the German Stock Corporation Act (AktG) (announcement of the issue price no later than three days prior to the end of the subscription period). In individual cases, however, depending on the capital market situation, it may be preferable to structure the distribution of a share dividend in such a way that the Executive Board, while offering all shareholders entitled to a dividend new shares for subscription against contribution of their dividend entitlement in compliance with the general principle of equal treatment (Section 53a of the German Stock Corporation Act (AktG)) and thereby economically granting the shareholders a subscription right, legally excludes shareholders' subscription right to new shares as a whole. An exclusion of subscription rights may also be necessary if not all shareholders are entitled to dividends for a fiscal year. Such exclusion of subscription rights enables distribution of the share dividend without the aforementioned restrictions of Section 186 (1) and (2) of the German Stock Corporation Act (AktG) and thus on more flexible terms. In view of the fact that all shareholders will be offered the new shares and that excess dividend amounts will be settled by cash payment of the dividend, an exclusion of subscription rights in such a case appears to be justified and reasonable.

In order to protect shareholders' rights more extensively, the calculated proportion of the capital stock attributable, in aggregate, to the shares issued from the Authorized Capital 2023 with the exclusion of shareholders' subscription rights is limited to €72,664,519.00 nominal, i.e., not more than 10% of the Company's capital stock at the time the resolution on this authorization is adopted. The above-mentioned capital limit shall not include the pro rata capital stock attributable to shares issued from the Authorized Capital 2023 for the purposes of share-based compensation or employee share programs, including for Executive Board compensation, and in the case of fractional amounts with the exclusion of subscription rights. Included in the above-mentioned capital limit, however, shall be the pro rata capital stock that is attributable to new shares issued from authorized capital that has been otherwise adopted during the term of the Authorized Capital 2023 with the exclusion of subscription rights, with the exception of their issue with the exclusion of subscription rights 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. It shall also include the pro rata capital stock that is attributable to treasury shares that are sold or used after a previous repurchase with the exclusion of subscription rights (unless their use is for share-based compensation or employee share programs, including for Executive Board compensation) or to 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 the Authorized Capital 2023 with the exclusion of subscription rights.

Such anticipatory resolutions with the possibility to exclude the subscription rights are common practice both nationally and internationally. The Executive Board will in each case carefully examine whether the use of the Authorized Capital 2023 and, in particular, the exclusion of the subscription rights are in the interests of the Company and its shareholders. If the proposed authorization is used, the Executive Board will report on this at the next Shareholders' Meeting.

Berlin, December 2, 2022

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