Activity Report

Second quarter FY 2022

January-March 2022 Results

5 May 2022

Contents

Introduction

Siemens Gamesa[1] attained €2,177m in Group revenue in the second quarter of fiscal year 2022 (Q2 22), a 7% decline on the year-ago quarter (Q2 21), and it reported an EBIT margin pre PPA and before integration and restructuring costs of -14.0% (-€304m). Revenue in the first half of fiscal year 2022 (H1 22) amounted to €4,006m (-13% y/y) and EBIT pre PPA and before integration and restructuring costs totaled -€614m, i.e. an EBIT margin of -15.3%.

During H1 22, the ramp-up process of the Siemens Gamesa 5.X platform, which is more complex than initially envisaged, continued to affect production and project execution scheduling. In addition, production and profitability continued to be affected by increased pressure from energy, commodities and transportation costs, non-availability of key wind turbine components, port congestion, and delays in our customers' investment decisions, which are also temporarily affecting commercial activity in the Onshore market.

Consideration of these higher costs plus the updated assumptions as to market and production conditions in valuing the Onshore WTG backlog had a negative impact on EBIT in the amount of c. -€537m in H1 22, of which c. -€248m arose in Q2 22, mainly because of cost deviations in onerous contracts.

Including integration and restructuring costs (-€24m in Q2 22) and the impact of the PPA on amortization of intangibles (-€57m in Q2 22), reported EBIT in Q2 22 amounted to -€385m and reported net income attributable to SGRE equity-holders amounted to -€377m. Reported EBIT in H1 22 amounted to -€762m, including the impact of integration and restructuring costs (-€35m) and of the PPA on amortization of intangibles (-€113m). Reported net income attributable to SGRE equity-holders in H1 22 amounted to -€780m.

As of 31 March 2022, the Group's net debt totaled -€1,731m. Siemens Gamesa has €4,387m in committed funding lines, against which it has drawn €1,908m, and total liquidity amounts to €3,538m, including cash on the balance sheet at the end of Q2 22 (€1,058m). Siemens Gamesa maintains an investment grade rating: BBB from S&P (negative outlook) and BBB- from Fitch (stable outlook).

Order intake in Q2 22 amounted to €1,198m, as a result of lengthier commercial negotiations in the Onshore market in the current inflationary environment, and of the normal volatility of commercial activity in the Offshore market. Order intake in H1 22 amounted to €3,670m and the order book stands at €32,831m.

In April, the Group reached an agreement to sell its development assets in southern Europe (Asset Disposal). The transaction is expected to complete before the end of fiscal year 2022 (FY22) and will have a positive impact on Group revenue of c. €580m, with a slightly lower contribution to EBIT pre PPA and before integration and restructuring costs (I&R), with transaction costs, book value and other accounting items amounting to approximately 5% of the purchase price.

In the current context, the effect of the aforementioned internal and external challenges cannot be assessed with the usual degree of detail and certainty, which complicates the reassessment of the outlook for FY22. Specific uncertainties that could cause actual results to differ from the market guidance include challenges in the ramp-up of the Siemens Gamesa 5.X platform, and the potential impact of recent geopolitical tensions, global supply chain disruptions, cost inflation and COVID-19 developments; all of which could also impact the value of the WTG segment's backlog. Based on this situation, expectations for the SGRE group's performance in FY22 are being reassessed and, consequently, the previous market guidance for FY22 is no longer valid and is under review.

For now, Siemens Gamesa will continue to work on achieving revenue growth of between -9% and -2%[2] with respect to fiscal year 2021 (FY21), and on achieving profit at the lower end of the previous guidance range, with an

[1]Siemens Gamesa Renewable Energy (Siemens Gamesa or SGRE) is the result of merging Siemens Wind Power, which was the wind power division of Siemens AG, with Gamesa Corporación Tecnológica (Gamesa). The Group engages in wind turbine development, manufacture and sale (Wind Turbine business) and provides operation and maintenance services (Service business).

[2]This guidance does not include charges for litigation or regulatory issues and is at constant exchange rates assuming no change in consolidation scope. It excludes the impact of any manufacturing shutdown or more serious disruptions to the supply chain due to developments related to COVID-19.

EBIT margin pre PPA and before integration and restructuring costs of -4%[3]; both figures include the impact of the Asset Disposal.

Main consolidated key figures for Q2 22

- Revenue: €2,177m (-7% y/y)
- EBIT pre PPA and before integration and restructuring costs[4]: -€304m (N.A.)
- Net income: -€377m (N.A.)
- Net cash/(Net financial debt – NFD)[5]: -€1,731m
- Order book: €32,831m (-3% y/y)
- Firm order intake in Q2: €1,198m (-78% y/y)
- Firm order intake in the last twelve months: €8,074m (-49% y/y)
- Installed fleet: 122,390 MW
- Fleet under maintenance: 83,058 MW

[3]This guidance does not include charges for litigation or regulatory issues, and is at constant exchange rates assuming no change in consolidation scope. It excludes the impact of any manufacturing shutdown or more serious disruptions to the supply chain due to developments related to COVID-19.

[4]EBIT pre PPA and before integration and restructuring costs excludes integration and restructuring costs in the amount of -€24m and the impact on fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of -€57m.

[5]Cash / (Net financial debt) is defined as cash and cash equivalents less long-term and short-term financial debt, including lease liabilities. The Siemens Gamesa Group adopted IFRS 16 effective 1 October 2019. As of 31 March 2022, lease liabilities amounted to €888m.

Markets and orders

In a very complex macroeconomic and geopolitical context, and after a clear increase in commitments to combat climate change worldwide in 2021, investment in renewables once again plays a central role at the beginning of 2022. Geopolitical tensions in Europe have highlighted the need for a secure energy supply, and investment in renewable energy is vital in this connection. This is reflected in the European Union communiqué (8 March 2022 — additional c. 30 GW per year of wind capacity until 2030), in Germany's "Easter Package" (6 April 2022 — double wind capacity by 2030), and in the British energy security strategy (7 April 2022 — a new target of 50 GW offshore wind by 2030). In addition, these same countries (Germany and the United Kingdom) announced plans to implement measures to accelerate permits and shorten the time to install renewables.

The central role of investment in renewables, both in assuring commitments to combat climate change and in achieving energy security, supports the wind industry's long-term growth prospects. More immediately, however, after a strong pace of installation in 2020 and 2021, growth is expected to slip to low single digits (c. 3% y/y through 2024), especially in the Onshore market (c.1% y/y through 2024) excluding China[6]. It is important to note that the change in the short-term prospects with respect to those published in the Q1 22 Activity Report is due to a lower volume of installations in 2021, as volume was shifted mainly to 2022.

In this context, Siemens Gamesa signed orders worth €8,074m in the last twelve months, i.e. 0.8 times revenue in the period, and it ended the quarter with a backlog amounting to €32,831 (-3% y/y), slightly below the record backlog attained on 31 March 2021. Of the total order book, 53% (€17,482m) is in Service, which has higher returns and is growing by 7% year-on-year. The WTG order book is split into €9,188m Offshore (-9% y/y) and €6,161m Onshore (-16% y/y).

Figure 1: Order book at 03.31.22 (€m)

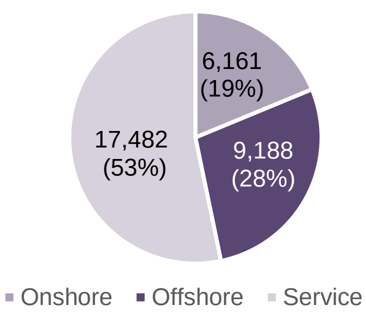
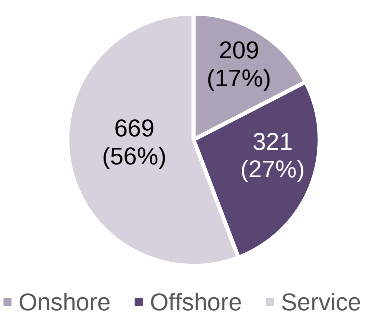


Figure 2: Order intake Q2 22 (€m)



The Group's order intake in Q2 22 amounted to €1,198m, giving a book-to-bill ratio of 0.6x. The Onshore market contributed €209m (-85% y/y), the Offshore market €321m (-89% y/y), and Service €669m (-46% y/y). The year-on-year trend in order intake in Q2 22 reflects the record intake figure in the second quarter of 2021, the more protracted sales negotiations in the Onshore market in the current inflationary situation, and the normal volatility in commercial activity in the Offshore market.

Table 1: Order intake (€m)

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
WTG	1,776	4,258	986	1,755	1,777	529
Onshore	1,619	1,381	840	867	1,361	209
Offshore	157	2,877	146	888	416	321
Service	505	1,242	534	1,129	695	669
Group	**2,281**	**5,500**	**1,520**	**2,884**	**2,472**	**1,198**

[6]Wood Mackenzie. Global Wind Power Market Outlook Update: Q1 2022. March 2022.

In addition to the effect of lengthier commercial negotiations in the Onshore market, order intake in Q2 22 (255 MW; €209m) was affected by the company's decision to reopen negotiation of its contracts in March in the face of cost inflation. Order intake is expected to recover in the second half of the year, however the market situation will remain challenging.

Onshore obtained orders amounting to 4,773 MW in the last twelve months (-43% y/y), worth €3,277m (-41% y/y), i.e. a book-to-bill ratio of 0.7x, again reflecting the factors cited above for the second quarter: lengthier commercial negotiations in the current inflationary situation and a more selective commercial strategy by the company to control risk and prioritize returns on projects, coupled with delays in customer decisions in several markets.

Figure 3: Order intake (€m)
Onshore LTM (%)

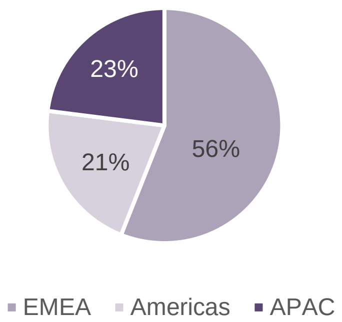
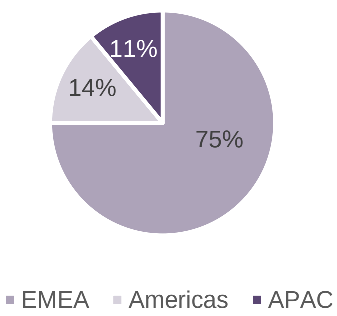


Figure 4: Order intake (€m)
Onshore Q2 22 (%)



The markets that accounted for the largest share of order intake (MW) in the last twelve months are as follows: India (21%), Canada (15%), Sweden (15%), and Finland (10%). In Q2 22, Sweden (60%) accounted for the single largest share of order intake. Platforms with a capacity of 4 MW or higher accounted for 90% of orders (MW) in Q2 22. The Siemens Gamesa 5.X platform accounted for 67% of orders in Q2 22 (172 MW) and has accumulated c. 3.9 GW in orders since its launch.

Offshore order intake amounted to €321m (book-to-bill: 0.4x), reflecting the normal volatility in commercial activity in this market. Order intake in the last twelve months was €1,771m (book-to-bill: 0.6x) and includes the first firm contracts in the USA. During Q2 22, Siemens Gamesa has signed two preferential supply agreements for the MFW Baltyk II and III wind farms in Poland, with a combined volume of 1.4 GW. This raised the conditional pipeline to 8.2 GW as of 31 March 2022. Siemens Gamesa continues to work very closely with customers to prepare for the large volume of auctions expected in 2022 and subsequent years (111 GW up to 2027).

Service order intake amounted to €669m in Q2 22 (book-to-bill: 1.3x). Service order intake in the last twelve months amounted to €3,026m (book-to-bill: 1.5x).

The trend in average selling prices (ASP) in Onshore was positive in Q2 22. ASP rose because of an increase in prices in like-for-like terms, the product mix (taller towers and larger rotors more than offset the dilution caused by larger-capacity platforms) and the geographic mix, as EMEA contributed more than the Americas and APAC. However, project scope had a slightly negative impact. In Q2 22, Siemens Gamesa continued to incorporate cost inflation clauses into its contracts and to introduce tools for achieving a more balanced commercial risk profile vis-à-vis commodity and transport price volatility.

Figure 5: Average selling price (ASP) - Onshore order intake (€m/MW)

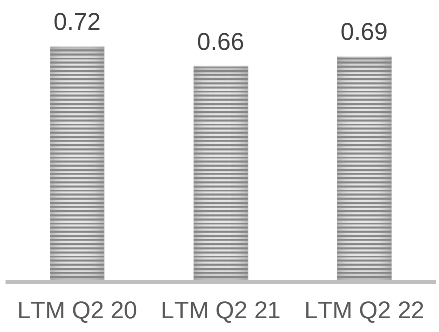
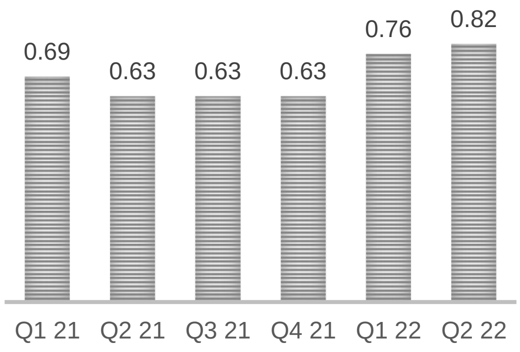


Figure 6: Average selling price - Onshore order intake (€m/MW)



Key financial performance metrics

The table below shows the main financial aggregates for the second quarter (January-March) of fiscal year 2022 (Q2 22) and fiscal year 2021 (Q2 21), and the variations, as well as those in the first half (October-March) of fiscal year 2022 (H1 22) and fiscal year 2021 (H1 21), and the variations.

Table 2: Key financial performance metrics

€m	Q2 21	Q2 22	Change y/y	H1 21	H1 22	Change y/y
Group revenue	2,336	2,177	-6.8%	4,631	4,006	-13.5%
WTG	1,902	1,662	-12.6%	3,801	3,062	-19.4%
Service	434	515	+18.5%	830	944	+13.7%
WTG volume (MWe)	2,657	2,008	-24.4%	5,135	3,453	-32.8%
Onshore	1,927	1,502	-22.0%	3,671	2,697	-26.5%
Offshore	730	506	-30.7%	1,464	756	-48.4%
EBIT pre PPA and before I&R costs	111	-304	--	232	-614	--
EBIT margin pre PPA and before I&R costs	4.8%	-14.0%	-18.7 p.p.	5.0%	-15.3%	-20.3 p.p.
WTG EBIT margin pre PPA and before I&R costs	1.3%	-24.8%	-26.1 p.p.	1.1%	-26.9%	-28.0 p.p.
Service EBIT margin pre PPA and before I&R costs	19.9%	20.9%	+1.0 p.p.	22.8%	22.1%	-0.7 p.p.
PPA amortization[1]	-59	-57	-3.7%	-119	-113	-4.5%
Integration and restructuring costs	-71	-24	-67.0%	-118	-35	-70.5%
Reported EBIT	-19	-385	--	-5	-762	--
Net income attributable to SGRE shareholders	-66	-377	--	-54	-780	--
Net income per share attributable to SGRE shareholders[2]	-0.10	-0.55	--	-0.08	-1,15	--
Capex	149	192	43	289	321	32
Capex/revenue (%)	6.4%	8.8%	+2.4 p.p.	6.2%	8.0%	+1.8 p.p.
Working capital	-1,639	-1,777	-137	-1,639	-1,777	-137
Working capital/revenue LTM (%)	-16.5%	-18.6%	-2.0 p.p.	-16.5%	-18.6%	-2.0 p.p.
Net (debt)/cash[3]	-771	-1,731	-960	-771	-1,731	-960
Net (debt)/EBITDA LTM	-3.25	--	--	-3.25	--	--

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period. Q2 21: 679,981,880; Q2 22: 680,822,780; H1 21: 679,745,848; H1 22: 680,634,978.
3. Lease liabilities as of 31 March 2021: €841m and as of 31 March 2022: €888m.

Group performance in the second quarter of FY22 continued to be negatively impacted by the challenges presented by the ramp-up of the Siemens Gamesa 5.X platform, which is more complex than initially envisaged by the Company, and exacerbated by bottlenecks in the supply chain. Performance in the quarter also continued to be affected by supply chain disruptions: price inflation in energy, components, raw materials and transport costs, bottlenecks in critical components, and delayed deliveries. Volatile market conditions also continue to affect some of our customers' investment decisions and, as a result, have led to delays in some projects.

In this context, Group revenue amounted to €2,177m in Q2 22, 7% lower than in the year-ago quarter, affected by the decline in WTG revenue: €1,662m (-13% y/y). The Service unit continued to perform well, with €515m in revenue (+19% y/y). Revenue amounted to €4,006m in the first half, i.e. 13% lower than in the same period of 2021. Revenue in the WTG segment fell by 19% in the first half, to €3,062m, while Service revenue rose by 14% y/y to €944m.

EBIT pre PPA and before integration and restructuring costs in Q2 22 amounted to -€304m, equivalent to an EBIT margin of -14.0% (Q2 21: 4.8%). EBIT pre PPA and before integration and restructuring costs includes a negative impact of c. -€248m due mainly to cost deviations in onerous contracts. As indicated earlier, Group performance in the second quarter continued to be impacted by the difficulties in the ramp-up of the Siemens Gamesa 5.X platform and the costs arising from supply chain disruptions. Additionally, the trend in EBIT pre PPA and before integration and restructuring costs in Q2 22 reflects the impact of the following factors:

(-) Lower prices incorporated into the order book, and the project mix and scope.

(-) The reduction in activity in the Wind Turbine segment, mainly as a result of supply chain disruptions, resulting in a lower absorption of overheads.

(+) Improvements in productivity, and steps to mitigate cost inflation.

EBIT pre PPA and before integration and restructuring costs amounted to -€614m in the first half of 2022, i.e. -15.3% of period revenue (vs. a margin of 5.0% in the first half of 2021). The deterioration in margins in the first half reflects the challenges of the Siemens Gamesa 5.X platform ramp-up and the additional costs caused by supply chain disruptions and the lower volume of WTG activity. The impact on EBIT in the first half of valuing the WTG backlog amounted to c. -€537m.

The impact of the PPA on amortization of intangible assets was -€57m in Q2 22 (-€113m in H1 22), while integration and restructuring costs amounted to -€24m in the same period (-€35m in H1 22). Reported EBIT, including the impact of the PPA on amortization of intangible assets and integration and restructuring costs, amounted to -€385m in Q2 22 (-€19m in Q2 21), and to -€762m in H1 22 (-€5m in H1 21).

Investments accounted for by the equity method made a positive contribution of €4.4m in Q2 22 (-€0.5m in Q1 22) and €5.5m in H1 22 (€1.3m in H1 21). Net financial income amounted to €15m in Q2 22 (net financial expenses amounted to -€11m in Q2 21) and to €11m in H1 22 (-€23m in H1 21). In Q2 22, financial expenses included a positive €27m effect of higher interest rates on updating the value of provisions. The tax expense amounted to -€11m in Q2 22 (-€35m in Q2 21) and -€33m in H1 22 (-€27m in H1 21). The tax expense in Q2 22 and H1 22 is the result of losses in countries where deferred tax assets could not be capitalized.

As a result, the Group reported a net loss of -€377m in Q2 22 (-€66m in Q2 21), including the impact of amortization of the PPA and integration and restructuring costs, both net of taxes, amounting to a total of -€57m[7] in Q2 22 (-€93m in Q2 21). The net loss per share for Siemens Gamesa equity-holders was -€0.55 in Q2 22 (-€0.10 in Q2 21). In H1 22, the net loss amounted to -€780m (-€54m in H1 21), and the net loss per share for Siemens Gamesa shareholders was -€1.15 (-€0.08 in H1 21). The net loss in the first half includes the impact of amortization of the PPA and integration and restructuring costs, both net of taxes, totaling -€105m[8] in H1 22 (-€170m in H1 21).

The Group's working capital stood at -€1,777m in Q2 22, equivalent to -19% of LTM revenue. The €719m increase since the end of fiscal year 2021 (FY21) is mainly attributable to higher inventories. This increase was due to supply chain disruptions in manufacturing and a focus on mitigating that impact by safety stocks. While maintaining financial discipline, the Group will prioritize current business needs.

[7] PPA amounts to -€57m (-€59m in Q2 21), -€40m net of tax (-€42m in Q2 21), and integration and restructuring costs amount to -€24m (-€71m in Q2 21), -€17m net of tax (-€51m in Q2 21).

[8] PPA amounts to -€113m (-€119m in H1 21), -€80m net of tax (-€85m in H1 21), and integration and restructuring costs amount to -€35m (-€118m in H1 21), -€25m net of tax (-€85m in H1 21).

Table 3: Working capital (€m)

Working capital (€m)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Change y/y[2]
Accounts receivable	1,152	1,058	1,162	906	890	1,253	195
Inventories	1,718	1,886	1,901	1,627	2,007	2,300	414
Contract assets	1,517	1,464	1,657	1,468	1,406	1,356	-108
Other current assets[1]	467	449	553	520	524	552	103
Accounts payable	-2,393	-2,531	-2,904	-2,921	-2,713	-2,928	-397
Contract liabilities	-3,393	-3,237	-3,209	-3,386	-3,421	-3,686	-449
Other current liabilities	-767	-728	-780	-709	-671	-623	104
Working capital	**-1,699**	**-1,639**	**-1,621**	**-2,496**	**-1,978**	**-1,777**	**-137**
Change q/q	+277[1]	+59	+19	-876	+518	+201	
Working capital/revenue LTM	**-17.4%**	**-16.5%**	**-15.9%**	**-24.5%**	**-20.3%**	**-18.6%**	**-2.0 p.p.**

1. For the purposes of comparison, after adjusting the beginning balance of acquired businesses (Purchase Price Allocation, PPA, of the business combinations with Senvion in accordance with IFRS 3). Including that adjustment, working capital declined by €273m in Q1 21.
2. Change in closing balances between Q2 21 and Q2 22.

Capex amounted to €192m in Q2 22 (€149m in Q2 21), including €48m of R&D expenditure (€50m in Q2 21). Offshore accounted for over half of capital spending in Q2 22. Capex amounted to €321m in H1 22 (€289m in H1 21), including €85m of R&D expenditure (€89m in H1 21).

The net debt position increased by €1,524m[9] with respect to year-end, to -€1,731m at the end of Q2 22, due to operating performance, capital expenditure (€321m in H1 22), and the increase in working capital (€719m) as a result of the investment in inventories in response to current market conditions. The company maintains a solid funding position, with access to €4,387m in committed funding lines, against which it had drawn €1,908m, and total liquidity amounting to €3,538m, including cash on the balance sheet at the end of Q2 22 (€1,058m). Funding lines amounting to c. €2,000m mature in fiscal year 2027.

Within the strategy of focusing on the Group's business and strengthening the balance sheet, an agreement was reached in April to sell the development assets in southern Europe (Asset Disposal). The transaction is expected to complete before the end of FY22 and will have a positive impact on Group revenue of c. €580m, with a slightly lower contribution to EBIT pre PPA and before integration and restructuring costs, with transaction costs, book value and other accounting items amounting to approximately c. 5% of the purchase price.

WTG

Table 4: WTG (€m)

€m	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Change y/y
Revenue	1,899	1,902	2,179	2,292	1,400	1,662	-12.6%
Onshore	1,061	1,154	1,328	1,463	941	931	-19.3%
Offshore	838	748	851	829	460	732	-2.2%
Volume (MWe)	2,478	2,657	3,079	2,781	1,445	2,008	-24.4%
Onshore	1,744	1,927	2,404	2,223	1,195	1,502	-22.0%
Offshore	734	730	675	558	250	506	-30.7%
EBIT pre PPA and before I&R costs	18	25	-261	-298	-410	-412	--
EBIT margin pre PPA and before I&R costs	1.0%	1.3%	-12.0%	-13.0%	-29.3%	-24.8%	-26.1 p.p.

During Q2 22, the WTG segment continued to be materially affected by supply chain imbalances. Those imbalances resulted in cost inflation in components and logistics, shortages of materials and delays in component deliveries, all of which materially impacted manufacturing, and project execution and delivery, and resulted in higher costs

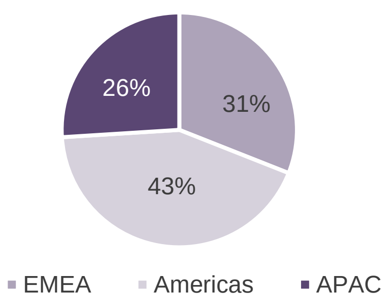
[9] Net financial debt as of 30 September 2021: -€207m, including €829m of lease liabilities. Net financial debt as of 31 March 2022: -€1,731m, including €888m of lease liabilities.

(from capacity underutilization to penalties imposed by customers for late delivery). In addition to these imbalances, challenges associated with the ramp-up of the Siemens Gamesa 5.X platform, which were greater and more complex than initially envisaged, also continued affecting production plans and project execution in the Onshore market. Blade and nacelle manufacturing volume fell short of the targets set for the quarter, and execution of projects in Brazil is progressing more slowly than expected. In contrast, projects in Northern Europe were executed on schedule in the quarter.

In this context, WTG revenue fell 13% y/y to €1,662m in Q2 22, affected by the 24% y/y reduction in manufacturing volume to 2,008 MWe. The decline in manufacturing activity occurred in both markets: -22% y/y in Onshore to 1,502 MWe, and -31% y/y in Offshore to 506 MWe.

Onshore revenue fell 19% y/y to €931m, impacted by the decline in manufacturing volume, which was partly offset by a positive impact from project scope and the currency effect. During Q2 22, Canada was the largest single source of Onshore sales (in MWe), accounting for 15%, followed by Japan and Brazil (13% each) and the USA and Sweden (12% each).

Figure 7: WTG Onshore revenue (MWe) Q2 22 (%)



Revenue in the Offshore market fell 2% y/y to €732m in Q2 22, as the decline in manufacturing volume was offset by the product mix and the greater share of projects in the delivery phase.

Revenue in the first half amounted to €3,062m (-19% y/y) in WTG: €1,871m (-15% y/y) in the Onshore market and €1,191m (-25% y/y) in the Offshore market.

EBIT pre PPA and before integration and restructuring costs amounted to -€412m in Q2 22 (-822 M€ in H1 22), i.e. an EBIT margin of -24.8% (-26.9% in H1 22), as a result of:

- The cost impact of the challenges experienced in the Siemens Gamesa 5.X platform ramp-up, including manufacturing delays.
- Inflation of material and transportation costs and the impact of supply chain disruptions on manufacturing, project execution and delivery, plus the associated costs.
- Consideration of these higher costs plus the new assumptions as to market and production conditions in valuing the Onshore WTG backlog, which had a negative impact on EBIT of c. -€248m in Q2 22 (c. -€537m in H1 22), mainly because of cost deviations in onerous contracts. Those assumptions include the impact on manufacturing and delivery times of the ramp-up challenges in the Siemens Gamesa 5.X platform.
- Lower sales as a result of the foregoing factors, resulting in a lower absorption of overheads.

Operation and Maintenance Service

Table 5: Operation and maintenance (€m)

€m	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Change y/y
Revenue	396	434	525	571	429	515	+18.5%
EBIT pre PPA and before I&R costs	102	86	110	121	101	108	+24.6%
EBIT margin pre PPA and before I&R costs	25.9%	19.9%	21.0%	21.2%	23.5%	20.9%	+1.0 p.p.
Fleet under maintenance (MW)	75,493	77,101	77,745	79,199	82,007	83,058	+7.7%

Service revenue increased by 19% with respect to the year-ago quarter to €515m. EBIT pre PPA and before integration and restructuring costs amounted to €108m in Q2 22, equivalent to an EBIT margin of 20.9%, in line with expectations of attaining a margin of 20% or greater in FY22.

Service revenue amounted to €944m in H1 22, with EBIT pre PPA and before integration and restructuring costs amounting to €208m, i.e. an EBIT margin of 22.1%.

The fleet under maintenance expanded by 8% y/y to 83 GW in Q2 22: 12.8 GW Offshore (+8% y/y) and 70.3 GW Onshore (+8% y/y).

Sustainability

Table 6: Main sustainability figures

	H1 21[1]	H1 22[1]	Change y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR)[2]	1.28	1.48	+16%
Total Recordable Incident Rate (TRIR)[3]	3.00	2.95	-2%
Environment			
Primary (direct) energy used (TJ)	330	226	-31%
Secondary (indirect) energy use (TJ)	392	350	-11%
of which, Electricity (TJ)	338	291	-14%
from renewable sources (TJ)	336	291	-14%
from standard combustion sources (TJ)	2	0	--
renewable electricity (%)	100	100	0 p.p.
Fresh water consumption (thousand m3)	267	219	-18%
Waste production (kt)	36	24	-32%
of which, hazardous (kt)	5	3	-44%
of which, non-hazardous (kt)	30	21	-30%
Waste recycled (kt)	28	20	-29%
Employees			
Number of employees (at period-end)	25,947	27,145	+5%
employees aged < 35 (%)	35.3	34.1	-1.2 p.p.
employees aged 35-44 (%)	38.2	38.2	0 p.p.
employees aged 45-54 (%)	19.4	20.0	+0.6 p.p.
employees aged 55-60 (%)	4.8	5.2	+0.4 p.p.
employees > 60 (%)	2.3	2.5	+0.2 p.p.
Women in workforce (%)	19.0	19.4	+0.4 p.p.
Women in management positions (%)	11.9	13.4	+1.5 p.p.
Supply chain			
No. of Tier 1 suppliers	14,408	15,127	+5%
Purchasing volume covered by Supplier Code of Conduct (%)	85	83	-2 p.p.

1. Non-audited figures.
2. LTIFR index is calculated for 1,000,000 hours worked and includes all accidents with at least one workday loss.
3. TRIR index is calculated for 1,000,000 hours worked and includes fatalities, lost time accidents, restricted work and medical treatment cases.

Note: TJ=Terajoules; 1Terajoule= 277.77 MWh; kt=thousand ton

Siemens Gamesa received a new evaluation from ISS ESG rating agency: B+ and continues ranked top in the sector. Additionally, receives the recognition of #1 in Environment area and #1 in Social area among the 52 companies in the Electrical Equipment sector. SGRE remains included in the STOXX SRI and STOXX Climate Benchmark indexes linked to this ESG score.

Outlook

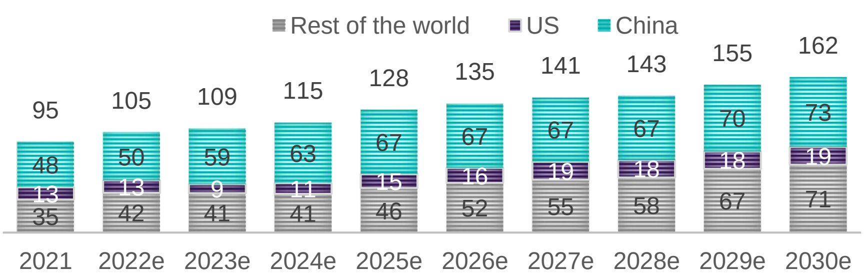
Short-, medium- and long-term prospects for wind worldwide

Geopolitical tensions in Europe have highlighted the need for secure energy supplies. Renewable energy is emerging as the only viable source of greater independence, in economically sustainable terms, from disruptions in the fossil fuel markets. The agreement reached at COP26 reflects the need to accelerate the transition to low-emission energy systems, with a greater share of renewable energies, a reduction in the use of coal, and the elimination of fossil fuel subsidies. An increase in the share of renewable energy would not only reduce the risk to the environment and health but would also mitigate the geopolitical risk and enhance energy security.

With this goal of achieving energy security by 2030, the European Commission proposed the REPowerEU plan. The proposal includes reaching 480 GW of wind capacity by 2030, compared with the 399 GW currently projected by Wood Mackenzie (WM)[10], which would entail moving from installing an average of 24 GW per year to an average of 33 GW per year between 2022 and 2030. The plan also proposes simplifying permitting processes for new wind farms and new connection infrastructure to enable this objective to be achieved. In this line, Germany is targeting 115 GW of Onshore installed capacity (87 GW currently projected by WM) and 30 GW Offshore (WM: 24 GW) by 2030. The UK also published its energy security strategy with a new Offshore capacity target of 50 GW by 2030. Like the European Union, both Germany and the United Kingdom have announced plans to adopt measures to speed up permitting and shorten the time to install renewables.

As a result, projections of wind installations for the coming years were raised again during the quarter. According to the latest report from WM, cumulative planned installations in 2022-2030 total 1,194 GW, i.e. 189 GW (+19%) more than forecast in their previous report[11].

Figure 8: Annual Onshore and Offshore installations 2020-2030E (GW/year$_e$)



Adjusting for sporadic peaks and troughs, the normalized pace of installations is expected to rise steadily throughout the decade, as is the pace of annual Offshore installations.

Figure 9: Average installations per year (Onshore and Offshore) 2019-30E (GW)

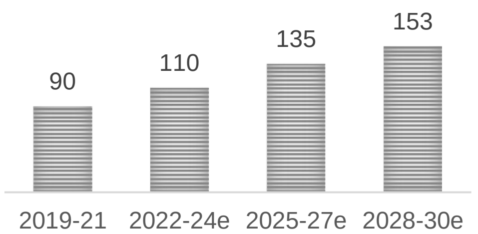
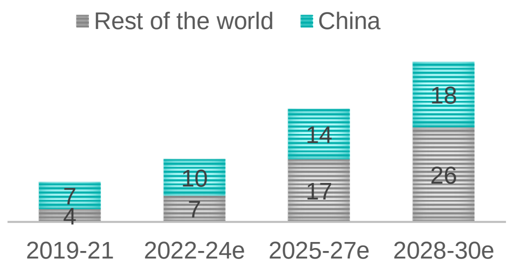


Figure 10: Average installations per year (Offshore) 2019-30E (GW)



China (457 GW), US (105 GW), India (56 GW) and Germany (42 GW) continue to be the largest Onshore markets, accounting for 72% of the total cumulative installations projected for 2022-2030. Spain, Brazil, France, South Africa,

[10] Wood Mackenzie (WM). Global Wind Power Market Outlook Update: Q1 2022. March 2022.

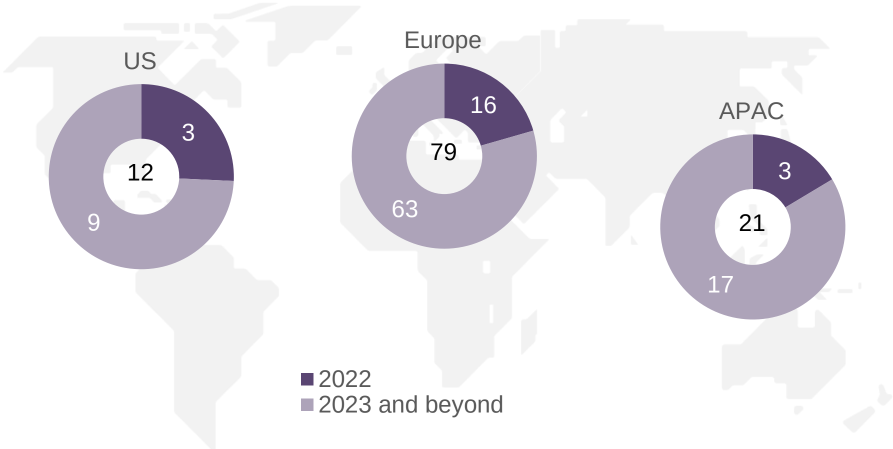
[11] Wood Mackenzie. Global Wind Power Market Outlook Update: Q4 2021. November 2021.

Australia and Sweden, with cumulative installations of between 9 GW and 20 GW each, will contribute 9% in the same period.

Although more countries are joining, the Offshore market is still much more concentrated. China, with 126 GW of installations in 2022-2030, will account for 45% of total installations in the period. Europe, with the United Kingdom in the lead (29 GW of installations in period), will install 94 GW, accounting for 34% of the total. They will be followed by the United States (32 GW) and Taiwan (12 GW). The contribution by new markets such as the USA will be concentrated in the second half of the decade (2026-2030).

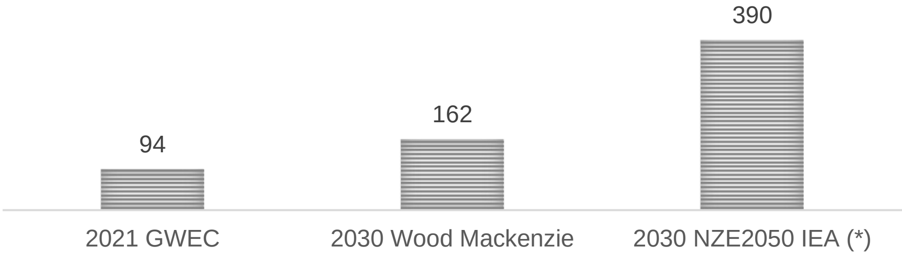
Institutional support for the development of the Offshore market is reflected in the 16 GW allocated by auction in 2021 and the 111 GW expected in auctions in 2022 and subsequent years through 2027.

Figure 11: Offshore auctions expected, excluding China (GW)[12]



However, the commitments announced to date are still insufficient to attain net zero emissions by 2050. To achieve decarbonization by 2050, the International Energy Agency[13] (IEA) estimates that wind power installations need to reach 390 GW per year by 2030, which is approximately three times the level of installations projected by WM for that date.

Figure 12: Annual installations 2021 vs. 2030E (GW/year$_e$)[14]



(*) NZE2050: Net zero emissions worldwide by 2050

The establishment of short- and medium-term sub-targets and of effective regulatory frameworks and appropriate incentive systems will influence the actual pace of wind installations.

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[12]Figure 11 does not seek to provide an exhaustive list of all planned auctions. Of the planned 111 GW, 6 GW have been officially convened in USA, 73 GW in Europe and 15 GW in APAC. The remainder are planned auctions, some of which are reflected in the corresponding government plans.

[13]International Energy Agency (IEA). A roadmap for the Global Energy Sector (Net Zero by 2050). May 2021.

[14]Global Wind Energy Council (GWEC). Global Wind Report 2022. April 2022.

FY22 guidance, future outlook and long-term vision

Siemens Gamesa's performance in the first half of FY22 was severely affected by the challenges posed by the ramp-up of the Siemens Gamesa 5.X platform, which are more complex than initially estimated. In addition, production and profitability continued to be affected by increased pressure from energy, raw material and logistics costs, non-availability of key wind turbine components, port congestion, and delays in our customers' investment decisions.

The continuous evaluation of the WTG segment's backlog to consider higher costs (the recent increase in raw material prices has exacerbated the negative impact) and to incorporate new assumptions about market and production conditions, including those related to the Siemens Gamesa 5.X platform, also impacted performance in the period.

As a result, Group revenue amounted to €4,006m in H1 22 (€2,177m in Q2 22), with EBIT pre PPA and before integration and restructuring costs amounting to -€614m (-€304m in Q2 22), i.e. an EBIT margin of -15.3% in the period (-14.0% in Q2 22). Consideration of these higher costs plus the updated assumptions as to market and production conditions in valuing the Onshore WTG backlog had a negative impact on EBIT in the amount of c. -€537m in H1 22, of which c. -€248m arose in Q2 22, mainly because of cost deviations in onerous contracts.

Given this performance in the first half, the internal challenges (associated mainly but not solely with the Siemens Gamesa 5.X platform), the supply chain situation and a complex macroeconomic and geopolitical environment, the management team has been forced to reassess its expectations for the SGRE group's performance in FY22 and considers that the guidance released to the market in January 2022 is no longer valid. Because of those internal and external challenges, it is not possible to provide projections for the second half of FY22 with the detail and precision that would be desirable, and the results are exposed to a greater degree of uncertainty. The specific uncertainties that might cause the actual results to differ from a new market guidance include the following: challenges in the ramp-up of the Siemens Gamesa 5.X platform, and the potential impact of recent geopolitical tensions, global supply chain disruptions, cost inflation and COVID-19 developments; all of which could also impact the value of the WTG segment's backlog.

For now, the Group will continue to work on achieving revenue growth of between -9% and -2%[15] with respect to FY21, and on achieving profit at the lower end of the previous guidance range, with an EBIT margin pre PPA and before integration and restructuring costs of -4%[16]; both figures include the impact of the Asset Disposal agreed in April that is expected to be completed in the fourth quarter of FY22. The Asset Disposal will have a positive impact on Group revenue of approximately €580m, with a slightly lower contribution to EBIT pre PPA and before integration and restructuring costs, with transaction costs, book value and other accounting items amounting to approximately 5% of the purchase price.

Since March, the management team, led by Jochen Eickholt, has been working to identify the main causes of the Group's underperformance as a first step to establish immediate lines of action. Among these causes are:

- Delays in product development processes for the Siemens Gamesa 5.X platform, resulting in delayed product availability, quality problems and additional unplanned costs.
- Significant business complexity, with a broad product portfolio, and still limited standardization and modularization.
- High production costs, partially due to low utilization of existing manufacturing capacities.
- A significant increase in project costs as a result of the global trend in commodities.

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[15] This guidance does not include charges for litigation or regulatory issues, and is at constant exchange rates assuming no change in consolidation scope. The guidance excludes any extraordinary impact from severe disruptions of the supply chain or a halt in manufacturing as a result of COVID-19.

[16] This guidance does not include charges for litigation or regulatory issues, and is at constant exchange rates assuming no change in consolidation scope. The guidance excludes any extraordinary impact from severe disruptions of the supply chain or a halt in manufacturing as a result of COVID-19.

As a second step the company establishes action mechanisms to seek the best solutions and stabilize the situation in the shortest possible time:

- Dedicated task forces are created to focus on mitigating current challenges (Siemens Gamesa 5.X and purchases), in a cross-functional set-up to ensure a holistic approach to problem solving, with best-in-class talent.
- Commercial discipline is strengthened by increasing selectivity, reinforcing project approval processes, and with closer alignment between procurement and sales.
- Enhanced mindset on containing overheads.
- Enhanced rigor in adhering to processes defined across the organization.
- Increase of the necessary focus on key priorities.

It is important to clarify that the complexity of the internal issues coupled with an unstable market environment complicates the ability to provide certainty, at this time, as to when the headwinds will abate. However, it should be noted that the company has solid foundations for this purpose:

- Strong market prospects.
- Progressive pass-through of cost inflation and supply chain risks to customers now to ensure sustainability of the industry.
- A competitive product portfolio, including the Siemens Gamesa 5.X platform, with global reach.
- An organization that is ready and committed.

The company has also taken the first steps to realize it's long-term potential through a program focused on:

- People, health, and safety.
- A solid top line.
- A competitive product portfolio.
- Operational excellence throughout the value chain.
- An efficient cost structure.
- Optimized cash flow.

Annex

Financial Statements January 2022 – March 2022

Profit and Loss Account

EUR in Millions	January - March 2021	January - March 2022	October 2020 - March 2021	October 2021 - March 2022
Revenue	2,336	2,177	4,631	4,006
Cost of sales	(2,137)	(2,379)	(4,230)	(4,400)
Gross Profit	**199**	**(202)**	**401**	**(394)**
Research and development expenses	(87)	(68)	(154)	(136)
Selling and general administrative expenses	(132)	(120)	(253)	(240)
Other operating income	3	8	5	14
Other operating expenses	(2)	(2)	(5)	(5)
Results of companies accounted for using the equity method	-	4	1	5
Interest income	2	3	5	7
Interest expense	(9)	(15)	(25)	(25)
Other financial income (expense), net	(4)	27	(3)	29
Income from continuing operations before income taxes	**(31)**	**(365)**	**(27)**	**(746)**
Income tax expenses	(35)	(11)	(27)	(33)
Income from continuing operations	**(65)**	**(376)**	**(54)**	**(780)**
Income from discontinued operations, net of income taxes	-	-	-	-
Non-controlling interests	-	1	(1)	(1)
Net income attributable to the shareholders of SGRE	**(66)**	**(377)**	**(54)**	**(780)**

Balance Sheet

EUR in Millions	03.31.2021	09.30.2021	03.31.2022
Assets:			
Cash and cash equivalents	1,515	1,961	1,058
Trade and other receivables	1,054	901	1,247
Other current financial assets	252	239	315
Trade receivables from related companies	5	5	6
Contract Assets	1,464	1,468	1,356
Inventories	1,886	1,627	2,300
Current income tax assets	194	208	187
Other current assets	449	520	552
Total current assets	**6,819**	**6,929**	**7,021**
Goodwill	4,610	4,635	4,754
Other intangible assets	1,715	1,651	1,602
Property, plant and equipment	2,530	2,579	2,728
Investments accounting for using the equity method	67	78	83
Other financial assets	221	212	200
Deferred tax assets	490	539	573
Other assets	5	8	9
Total non-current assets	**9,638**	**9,702**	**9,949**
Total assets	**16,457**	**16,630**	**16,970**
Liabilities and equity:			
Short-term debt and current maturities of long-term debt	607	382	1,442
Trade payables	2,493	2,900	2,902
Other current financial liabilities	145	180	246
Trade payables to related companies	38	22	26
Contract Liabilities	3,237	3,386	3,686
Current provisions	672	949	1,133
Current income tax liabilities	130	201	154
Other current liabilities	728	709	623
Total current liabilities	**8,051**	**8,729**	**10,213**
Long-term debt	1,680	1,786	1,347
Provisions for pensions and similar obligations	18	21	18
Deferred tax liabilities	191	171	190
Non-current provisions	1,388	1,324	1,269
Other financial liabilities	111	113	97
Other liabilities	28	27	41
Total non-current liabilities	**3,416**	**3,442**	**2,962**
Issued capital	116	116	116
Capital reserve	5,932	5,932	5,932
Retained earnings and other components of equity	(1,059)	(1,590)	(2,255)
Non-controlling interest	1	1	2
Total Equity	**4,990**	**4,458**	**3,795**
Total Liabilities & Equity	**16,457**	**16,630**	**16,970**

Cash Flow Statement

EUR in Millions	January - March 2021	January - March 2022	October 2020 - March 2021	October 2021 - March 2022
Net Income before taxes	(31)	(365)	(27)	(746)
Amortization + PPA	182	198	363	374
Other P&L (*)	2	(28)	9	(10)
Working Capital cash flow effective change (***)	(31)	(152)	(349)	(735)
Charge of provisions (**)	38	118	89	301
Provision payments (**)	(74)	(93)	(157)	(194)
CAPEX	(149)	(192)	(289)	(321)
Investment in leased assets (****)	(180)	(48)	(272)	(117)
Adwen provision usage (**)	(11)	(34)	(35)	(42)
Tax payments	(70)	(46)	(78)	(59)
Acquisitions of businesses, net of cash acquired	-	-	-	-
Others	28	11	23	25
Cash flow for the period	**(295)**	**(633)**	**(722)**	**(1,524)**
Beginning cash / (net financial debt)	(476)	(1,097)	(49)	(207)
Ending cash / (net financial debt)	(771)	(1,731)	(771)	(1,731)
Variation in net financing cash flow	**(295)**	**(633)**	**(722)**	**(1,524)**

(*) Other non-cash (income) expenses, including results of companies accounted for using the equity method.

(**) The line items "Charge of provisions", "Provision payments" and "Adwen provision usage" are included within the caption "Change in other assets and liabilities" of the consolidated Statement of Cash Flow.

(***) The line item "Working Capital cash flow effective change contains" mainly the following line items of the consolidated Statement of Cash Flow: "Inventories", "Contract assets", "Trade and other receivables", "Trade payables", "Contract liabilities" and "Change in other assets and liabilities" (excluding the abovementioned effect of provisions).

(****) Additions to leased assets in accordance with IFRS 16; this concept was included within the line item "Working capital cash flow effective change" in previously reported financial information. Such line item has been modified in the comparative information for the separate disclosure of investments in leased assets.

Key Balance Sheet Positions

EUR in Millions	03.31.2021	09.30.2021	03.31.2022
Property, plant and equipment	2,530	2,579	2,728
Goodwill & Intangibles	6,325	6,285	6,356
Working capital	(1,639)	(2,496)	(1,777)
Other, net (*)	652	619	680
Total	**7,868**	**6,987**	**7,987**
Net financial debt / (cash)	771	207	1,731
Provisions (**)	2,078	2,294	2,421
Equity	4,990	4,458	3,795
Other liabilities	28	27	41
Total	**7,868**	**6,987**	**7,987**

(*) The caption “Other, net” contains the following line items of the consolidated balance sheet: “Other current financial assets”, “Investments accounting for using the equity method”, “Other financial assets”, “Other assets”, “Other current financial liabilities”, “Other financial liabilities”, “Current income tax assets”, “Current income tax liabilities”, “Deferred tax assets” and “Deferred tax liabilities”.

(**) The caption “Provisions” contains the following line items of the consolidated balance sheet: “Current and non-current provisions”, and “Post- employment benefits”.

Note: Summarized balance sheet showing net positions mainly on the asset side.

Annex

Alternative Performance Measures

Siemens Gamesa Renewable Energy (SGRE) financial information contains magnitudes and measurements prepared in accordance with the applicable accounting standards and others referred to as Alternative Performance Measures (APMs). The APMs are considered to be adjusted magnitudes with respect to those presented in accordance with EU-IFRS and, consequently, the reader should view them as supplementary to, but not replacements for, the latter.

The APMs are important for users of the financial information since they are the metrics used by SGRE’s Management to assess financial performance, cash flows and the financial position for the purposes of the Group's financial, operational and strategic decisions.

The APMs contained in SGRE´s financial disclosures that cannot be directly reconciled with the financial statements in accordance with EU-IFRS are as follows.

Net Financial Debt (NFD)

Net financial debt (NFD) is calculated as the sum of the company's bank borrowings (including any subsidized loans) less cash and cash equivalents.

Net financial debt is the main APM used by Siemens Gamesa Renewable Energy’s management to measure the Group's indebtedness and leverage.

€m	03.31.2020	06.30.2020	09.30.2020	12.31.2020
Cash and cash equivalents	1,421	1,695	1,622	1,533
Short-term debt	(487)	(546)	(434)	(636)
Long-term debt	(1,229)	(1,239)	(1,236)	(1,372)
Cash / (Net Financial Debt)	**(295)**	**(90)**	**(49)**	**(476)**

€m	03.31.2021	06.30.2021	09.30.2021	12.31.2021	03.31.2022
Cash and cash equivalents	1,515	1,400	1,961	1,332	1,058
Short-term debt	(607)	(540)	(382)	(590)	(1,442)
Long-term debt	(1,680)	(1,698)	(1,786)	(1,840)	(1,347)
Cash / (Net Financial Debt)	**(771)**	**(838)**	**(207)**	**(1,097)**	**(1,731)**

Working capital (WC)

Working Capital (WC) is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as Cash and cash equivalents.

Working Capital reflects the part of Capital Employed that is invested in net operating assets. Siemens Gamesa Renewable Energy's management uses this metric in managing and making decisions with respect to the business's cash conversion cycle, particularly in managing inventory, trade accounts receivable and trade accounts payable. Effective management of working capital involves achieving an optimal amount of working capital without jeopardising the company's ability to honour its obligations in the short term.

€m	03.31.2020	06.30.2020	09.30.2020	10.01.2020 (*)	12.31.2020
Trade and other receivables	1,036	1,174	1,141	1,142	1,150
Trade receivables from related companies	37	37	1	1	1
Contract assets	1,808	1,715	1,538	1,538	1,517
Inventories	2,115	2,064	1,820	1,820	1,718
Other current assets	466	584	398	398	467
Trade payables	(2,332)	(2,544)	(2,956)	(2,956)	(2,346)
Trade payables to related companies	(212)	(237)	(8)	(8)	(47)
Contract liabilities	(3,101)	(3,362)	(3,148)	(3,171)	(3,393)
Other current liabilities	(682)	(929)	(761)	(735)	(767)
Working Capital	**(865)**	**(1,498)**	**(1,976)**	**(1,971)**	**(1,699)**

(*) Comparable for Opening Balance Sheet adjustments of acquired businesses (PPA of Senvion business combinations, according to IFRS 3).

€m	03.31.2021	06.30.2021	09.30.2021	12.31.2021	03.31.2022
Trade and other receivables	1,054	1,157	901	885	1,247
Trade receivables from related companies	5	4	5	6	6
Contract assets	1,464	1,657	1,468	1,406	1,356
Inventories	1,886	1,901	1,627	2,007	2,300
Other current assets	449	553	520	524	552
Trade payables	(2,493)	(2,880)	(2,900)	(2,695)	(2,902)
Trade payables to related companies	(38)	(25)	(22)	(18)	(26)
Contract liabilities	(3,237)	(3,209)	(3,386)	(3,421)	(3,686)
Other current liabilities	(728)	(780)	(709)	(671)	(623)
Working Capital	**(1,639)**	**(1,621)**	**(2,496)**	**(1,978)**	**(1,777)**

The ratio of working capital to revenue is calculated as working capital at a given date divided by the revenue in the twelve months prior to that date.

Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) refers to investments made in the period in property, plant and equipment and intangible assets to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance CAPEX). This APM does not include the allocation of the purchase price (the PPA exercise) to property, plant and equipment and intangible assets that has been performed in context of a business combination (e.g. the merger of Siemens Wind Power and Gamesa). This APM does also not include additions to right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q2 21	Q2 22	H1 21	H1 22
Acquisition of intangible assets	(50)	(48)	(89)	(85)
Acquisition of Property, Plant and Equipment	(99)	(145)	(200)	(236)
CAPEX	**(149)**	**(192)**	**(289)**	**(321)**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
Acquisition of intangible assets	(45)	(54)	(38)	(48)	(184)
Acquisition of Property, Plant and Equipment	(118)	(171)	(91)	(145)	(525)
CAPEX	**(163)**	**(225)**	**(129)**	**(192)**	**(709)**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Acquisition of intangible assets	(54)	(44)	(39)	(50)	(187)
Acquisition of Property, Plant and Equipment	(97)	(205)	(101)	(99)	(502)
CAPEX	**(151)**	**(249)**	**(140)**	**(149)**	**(689)**

Definitions of Cash Flow

Gross operating cash flow: amount of cash generated by the company's ordinary operations, excluding working capital and capital expenditure (CAPEX). SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adjusting the reported income for the period, for the ordinary non-cash items (mainly depreciation and amortization and provision charges).

€m	H1 21	H1 22
Net Income before taxes	(27)	(746)
Amortization + PPA	363	374
Other P&L (*)	9	(10)
Charge of provisions	89	301
Provision usage (without Adwen usage)	(157)	(194)
Tax payments	(78)	(59)
Gross Operating Cash Flow	**199**	**(334)**

€m	Q2 21	Q2 22
Net Income before taxes	(31)	(365)
Amortization + PPA	182	198
Other P&L (*)	2	(28)
Charge of provisions	38	118
Provision usage (without Adwen usage)	(74)	(93)
Tax payments	(70)	(46)
Gross Operating Cash Flow	**47**	**(217)**

(*) Other non-cash (income) expenses, including results of companies accounted for using the equity method.

Cash flow is calculated as the variation in Net financial debt (NFD) between two closure dates.

Average Selling Price in Order Intake, Onshore (ASP - Order Intake)

Average monetary order intake collected by Onshore WTG division per unit booked (measured in MW). ASP is affected by several factors (project scope, geographical distribution, product, exchange rate, prices, etc.) and does not represent the level or trend of profitability.

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

	Q3 21 (*)	Q4 21 (*)	Q1 22 (*)	Q2 22 (*)	LTM Mar 22
Order Intake Onshore Wind (€m)	856	867	1,361	209	3,293
Order Intake Onshore Wind (MW)	1,352	1,376	1,791	255	4,773
ASP Order Intake Wind Onshore	**0.63**	**0.63**	**0.76**	**0.82**	**0.69**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €-16m in Q3 21, €0m in Q4 21, €0m in Q1 22 and €0m in Q2 22.

	Q3 20 (*)	Q4 20 (*)	Q1 21 (*)	Q2 21 (*)	LTM Mar 21
Order Intake Onshore Wind (€m)	872	1,698	1,619	1,330	5,519
Order Intake Onshore Wind (MW)	1,200	2,713	2,360	2,113	8,387
ASP Order Intake Wind Onshore	**0.73**	**0.63**	**0.69**	**0.63**	**0.66**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q3 20, €0m in Q4 20, €0m in Q1 21 and €51m in Q2 21.

	Q3 19 (*)	Q4 19 (*)	Q1 20 (*)	Q2 20 (*)	LTM Mar 20
Order Intake Onshore Wind (€m)	1,695	2,238	1,611	1,289	6,832
Order Intake Onshore Wind (MW)	2,130	3,147	2,563	1,645	9,485
ASP Order Intake Wind Onshore	**0.80**	**0.71**	**0.63**	**0.78**	**0.72**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €1m in Q3 19, €2m in Q4 19, €0m in Q1 20 and €61m in Q2 20.

Order Intake, Revenue and EBIT

Order Intake (in €) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in EUR) for the last four quarters.

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
WTG	986	1,755	1,777	529	5,048
Of which WTG ON	840	867	1,361	209	3,277
Of which WTG OF	146	888	416	321	1,771
Service	534	1,129	695	669	3,026
TOTAL	**1,520**	**2,884**	**2,472**	**1,198**	**8,074**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
WTG	4,227	1,776	1,776	4,258	12,037
Of which WTG ON	872	1,698	1,619	1,381	5,570
Of which WTG OF	3,355	78	157	2,877	6,467
Service	1,115	787	505	1,242	3,649
TOTAL	**5,342**	**2,564**	**2,281**	**5,500**	**15,686**

Order Intake (in MW) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in MW) for the last four quarters.

MW	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
WTG ON	1,352	1,376	1,791	255	4,773
WTG OF	24	847	253	-	1,124
TOTAL	**1,376**	**2,223**	**2,044**	**255**	**5,897**

MW	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
WTG ON	1,200	2,713	2,360	2,113	8,387
WTG OF	2,860	-	-	2,607	5,467
TOTAL	**4,060**	**2,713**	**2,360**	**4,720**	**13,853**

Revenue LTM (Last Twelve Months) is calculated by aggregation of the quarterly revenues for the last four quarters.

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
WTG	2,179	2,292	1,400	1,662	7,533
Of which WTG ON	1,328	1,463	941	931	4,662
Of which WTG OF	851	829	460	732	2,871
Service	525	571	429	515	2,040
TOTAL	**2,704**	**2,863**	**1,829**	**2,177**	**9,573**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
WTG	1,947	2,325	1,899	1,902	8,073
Of which WTG ON	1,143	1,499	1,061	1,154	4,856
Of which WTG OF	805	826	838	748	3,217
Service	464	543	396	434	1,837
TOTAL	**2,411**	**2,868**	**2,295**	**2,336**	**9,910**

EBIT (Earnings Before Interest and Taxes): operating profit as per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before 'Income (loss) from investments accounted for using the equity method', interest income and expenses and 'Other financial income (expenses), net'.

EBIT (Earnings Before Interest and Taxes) pre PPA and integration & restructuring costs: EBIT excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the Purchase Price Allocation (PPA).

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

€m	H1 21	H1 22
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(27)	(746)
(-) Income from investments acc. for using the equity method, net	(1)	(5)
(-) Interest income	(5)	(7)
(-) Interest expenses	25	25
(-) Other financial income (expenses), net	3	(29)
EBIT	**(5)**	**(762)**
(-) Integration costs	56	28
(-) Restructuring costs	62	7
(-) PPA impact	119	113
EBIT pre-PPA and integration & restructuring costs	**232**	**(614)**

€m	Q2 21	Q2 22
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(31)	(365)
(-) Income from investments acc. for using the equity method, net	-	(4)
(-) Interest income	(2)	(3)
(-) Interest expenses	9	15
(-) Other financial income (expenses), net	4	(27)
EBIT	**(19)**	**(385)**
(-) Integration costs	29	19
(-) Restructuring costs	42	4
(-) PPA impact	59	57
EBIT pre-PPA and integration & restructuring costs	**111**	**(304)**

EBIT margin: ratio of EBIT to Revenue in the period that is equal to the revenue figure in the consolidated Income Statement for the period.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.

€m	H1 21	H1 22
EBIT	(5)	(762)
Amortization, depreciation and impairment of intangible assets and PP&E	363	374
EBITDA	**358**	**(388)**

€m	Q2 21	Q2 22
EBIT	(19)	(385)
Amortization, depreciation and impairment of intangible assets and PP&E	182	198
EBITDA	**163**	**(187)**

EBITDA LTM (Last Twelve Months) is calculated by aggregation of the quarterly EBITDA for the last four quarters.

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
EBIT	(238)	(279)	(377)	(385)	(1,279)
Amortization, depreciation and impairment of intangible assets and PP&E	192	203	176	198	768
EBITDA	**(46)**	**(77)**	**(201)**	**(187)**	**(511)**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
EBIT	(472)	(139)	14	(19)	(615)
Amortization, depreciation and impairment of intangible assets and PP&E	290	200	180	182	853
EBITDA	**(181)**	**61**	**194**	**163**	**238**

Net income and Net income per share (EPS)

Net income: consolidated profit for the year attributable to the parent company.

Net income per share (EPS): the result of dividing net income by the average number of shares outstanding in the period (excluding treasury shares).

	Q2 21	H1 21	Q2 22	H1 22
Net Income (€m)	(66)	(54)	(377)	(780)
Number of shares (units)	679,981,880	679,745,848	680,822,780	680,634,978
Earnings Per Share (€/share)	**(0.10)**	**(0.08)**	**(0.55)**	**(1.15)**

Other indicators

Revenue coverage: the revenue coverage ratio expresses the degree of achieving the revenue volume targets set by the company for a given year. It is calculated as the revenue booked until one period (including the activity/revenue expected for the rest of the year) divided by the activity/revenue guidance for that year.

€m	09.30.2020	03.31.2021	09.30.2021	03.31.2022
Actual revenue in year N (1)	-	4,631	-	4,006
Order Backlog for delivery in FY (2)	9,728	5,460	8,874	4,981
Average revenue guidance for FY (3) (*)	10,700	10,350	9,739	9,637
Revenue Coverage ([1+2]/3)	**91%**	**97%**	**91%**	**93%**

(*) FY21 revenue guidance communicated in November 2020 narrowed in April 2021 to the range between €10.2bn and €10.5bn. FY22 midpoint of growth rate guidance from -7% to -2% communicated in November 2021 adjusted in January 2022 from -9% to -2%. Expectations for the SGRE group's performance in FY22 are being reassessed as of Q2 FY22 and, consequently, the previous market guidance for FY22 is no longer valid and is under review. For now, Siemens Gamesa will continue to work on achieving revenue growth of between -9% and -2% with respect to fiscal year 2021 (FY21), this figure includes the impact of the Asset Disposal (approx. €580m).

Book-to-Bill: ratio of order intake (in EUR) to activity/revenue (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in revenue volume.

Book-to-Bill LTM (Last Twelve Months): this APM is calculated by aggregation of the quarterly Revenues and Order Intakes for the last four quarters.

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
Order Intake	1,520	2,884	2,472	1,198	8,074
Revenue	2,704	2,863	1,829	2,177	9,573
Book-to-Bill	**0.6**	**1.0**	**1.4**	**0.6**	**0.8**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 22
Order Intake	5,342	2,564	2,281	5,500	15,686
Revenue	2,411	2,868	2,295	2,336	9,910
Book-to-Bill	**2.2**	**0.9**	**1.0**	**2.4**	**1.6**

Reinvestment Rate: ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles' fair value). According to the definition of CAPEX, the amount of amortization, depreciation and impairments does not include the amortization, depreciation and impairments of right of use assets (first time adoption of IFRS 16 starting October 1st, 2019).

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
CAPEX (1)	163	225	129	192	709
Amortization depreciation & impairments (a)	192	203	176	198	768
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	30	32	34	37	133
PPA Amortization on Intangibles (c)	56	55	57	57	225
Depreciation & Amortization (excl. PPA) (2=a-b-c)	105	115	86	104	411
Reinvestment rate (1/2)	**1.5**	**1.9**	**1.5**	**1.9**	**1.7**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
CAPEX (1)	151	249	140	149	689
Amortization depreciation & impairments (a)	290	200	180	182	853
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	33	28	31	29	122
PPA Amortization on Intangibles (c)	68	59	60	59	246
Depreciation & Amortization (excl. PPA) (2=a-b-c)	189	112	90	94	485
Reinvestment rate (1/2)	**0.8**	**2.2**	**1.6**	**1.6**	**1.4**

a

Gross Profit: the difference between revenue and cost of sales, according to the consolidated statements of profit and loss.

Gross Profit (pre PPA, I&R costs): Gross Profit excluding integration and restructuring costs and the impact on amortization of intangibles' fair value from the PPA (purchase price allocation). The result of dividing this indicator by the sales of the period, which are equal to the revenue figure in the consolidated Income Statement for the period, is denominated Gross Margin pre PPA, I&R costs, and it is expressed as a percentage.

- Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.
- Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

€m	H1 21	H1 22
Gross Profit	401	(394)
PPA amortization on intangibles	89	83
Integration costs	41	16
Restructuring costs	50	5
Gross Profit (pre PPA, I&R costs)	**581**	**(290)**

€m	Q2 21	Q2 22
Gross Profit	199	(202)
PPA amortization on intangibles	44	41
Integration costs	21	12
Restructuring costs	37	3
Gross Profit (pre PPA, I&R costs)	**301**	**(146)**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
Gross Profit	(29)	(107)	(192)	(202)	(531)
PPA amortization on intangibles	42	40	41	41	164
Integration costs	19	24	5	12	60
Restructuring costs	4	3	2	3	12
Gross Profit (pre PPA, I&R costs)	**36**	**(41)**	**(144)**	**(146)**	**(295)**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Gross Profit	(196)	81	202	199	286
PPA amortization on intangibles	45	45	45	44	179
Integration costs	41	49	20	21	131
Restructuring costs	100	33	13	37	183
Gross Profit (pre PPA, I&R costs)	**(10)**	**207**	**280**	**301**	**778**

Integration and Restructuring costs: see Gross Profit (pre PPA, I&R costs) and EBIT (pre PPA, I&R costs).

€m	H1 21	H1 22
Gross Profit	91	21
Research & Development	4	6
Sales and Administration	21	7
Others	3	(0)
Integration and Restructuring costs	**118**	**35**

€m	Q2 21	Q2 22
Gross Profit	57	15
Research & Development	3	5
Sales and Administration	10	4
Others	1	(0)
Integration and Restructuring costs	**71**	**24**

€m	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
Gross Profit	23	27	6	15	71
Research & Development	1	2	2	5	10
Sales and Administration	6	14	3	4	27
Others	1	5	0	(0)	5
Integration and Restructuring costs	**31**	**48**	**11**	**24**	**113**

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Gross Profit	141	82	33	57	314
Research & Development	1	2	1	3	7
Sales and Administration	99	24	11	10	144
Others	2	2	1	1	7
Integration and Restructuring costs	**243**	**110**	**47**	**71**	**471**

MWe: an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

MWe	Q3 21	Q4 21	Q1 22	Q2 22	LTM Mar 22
Onshore	2,404	2,223	1,195	1,502	7,325

MWe	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Onshore	1,876	2,433	1,744	1,927	7,979

Cost of energy (LCOE/COE): the cost of converting an energy source, e.g. wind, into electricity, measured in monetary units per MWh. It is calculated taking in account all costs incurred during asset's life cycle (including construction, financing, fuel, operation and maintenance, taxes and incentives) divided by the total output expected from the asset during its useful life.

Note that due to rounding, numbers presented in this document may not add up exactly to the totals shown and percentages may not exactly replicate the absolute figures presented.

Glossary & Definitions for Alternative Performance Measures

The definition and conciliation of the alternative performance measures (APMs) are included and disclosed in this Activity Report and also used in the presentation associated to these and previous results. This glossary contains a summary of terms and APMs used in this report but does not replace the aforementioned definitions and conciliations**.**

AEP: annual energy production.

ASP in Order Intake: average monetary order intake collected by WTG division per unit booked (measured in MW). It excludes the value and volume of solar orders from the calculation.

Book & Bill: amount of orders (in EUR) to be booked and fulfilled in a set period of time to generate revenue without material lead time (“in for out” orders in set period of time).

Book-to-Bill ratio: order intake (in EUR) to activity/sales (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in sales volume.

Capital Expenditure (CAPEX): refers to investments made in the period in property, plant and equipment and intangible assets in order to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance capex).

CAGR: Compound annual growth rate.

EBIT (Earnings Before Interest and Taxes): operating profit per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before ‘Income (loss) from investments accounted for using the equity method’, interest income and expenses and ‘Other financial income (expenses), net’.

EBIT pre PPA integration & restructuring costs (I&R): EBIT excluding integration and restructuring costs and the impact on amortization of intangibles’ fair value from of the Purchase Price Allocation (PPA).

• Integration costs: are one-time-expenses (temporary nature – limited in time) that are related to the integration of the two legacy companies, or of other acquired companies, excluding any restructuring related costs.

• Restructuring costs: personnel and non personnel expenses which arise in connection with a restructuring (e.g. site closures), where restructuring refers to measures that materially modify either the scope of business undertaken or the manner in which this business is conducted.

EBITDA: It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.

Gross operating cash flow: amount of cash generated by the company's ordinary operations, excluding working capital, capital expenditure (CAPEX), payments related to Adwen provisions and others mainly FX conversion impacts. SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adding, to reported income for the period, the ordinary non-cash items (depreciation and amortization, and provision charges) and income from equity-accounted affiliates.

IP: Intellectual Property.

LTM: last twelve months.

MWe: an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing activity in terms of work in progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

Net Financial Debt (NFD): is defined as long-term and short-term financial debt less cash and cash equivalents.

Reinvestment rate: ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles’ fair value).

Working Capital (WC): is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as Cash and cash equivalents.

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Note on alternative performance measures (APMs)

This document includes supplemental financial measures 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 Gamesa´s net assets and financial position or results of operations as presented in its consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.