



REPORT OF THE BOARD OF DIRECTORS OF SIEMENS GAMESA RENEWABLE ENERGY, S.A. IN RELATION TO THE VOLUNTARY TENDER OFFER COMMENCED BY SIEMENS ENERGY GLOBAL GMBH & CO. KG

At its meeting held on 17 November 2022 the board of directors of Siemens Gamesa Renewable Energy, S.A. (the “**Board of Directors**” and the “**Company**” or “**Siemens Gamesa**”, respectively) has drawn up and approved, by unanimous vote of its members, this report in relation to the voluntary tender offer commenced by Siemens Energy Global GmbH & Co. KG (“**SE KG**” or the “**Bidder**”), a company wholly-owned by Siemens Energy AG (“**Siemens Energy**” and together with its subsidiaries, the “**Siemens Energy Group**”), for all of the shares representing the share capital of Siemens Gamesa not already owned by the Bidder (the “**Offer**”).

This report is issued under article 134.4 of the consolidated text of the Spanish Securities Market Law, approved by Royal Legislative Decree 4/2015 of 23 October (the “**Securities Market Law**”) and article 24 of Royal Decree 1066/2007 of 27 July, on the regulation of takeover bids for securities (the “**Royal Decree 1066/2007**”).

On 14 November 2022, the committee of independents formed within the Board of Directors (the “**Committee of Independents**”), comprising all the independent directors of Siemens Gamesa, namely Mr. Rudolf Krämmer, Ms. Gloria Hernández, Mr. Harald von Heynitz and Mr. Francisco Belil, with Mr. Harald von Heynitz serving as chairman and Mr. Juan Antonio García, secretary non-member of the Board of Directors, serving as secretary non-member thereof, held a meeting to prepare a draft of this report. Subsequently, in preparation for the meeting of the Board of Directors of Siemens Gamesa such draft report was shared with the remaining directors of Siemens Gamesa, namely, Mr. Miguel Ángel López, Mr. Christian Bruch, Mr. André Clark, Ms. Mariel von Schumann and Ms. Maria Ferraro, proprietary directors of Siemens Gamesa representing the Siemens Energy Group, and Mr. Jochen Eickholt, the latter originally appointed as proprietary director of Siemens Gamesa at the proposal of Siemens Energy and subsequently appointed as CEO by the Board of Directors of Siemens Gamesa. At the meeting held by the Board of Directors on 17 November 2022, the Board of Directors issued a favourable opinion on the Offer with the unanimous vote of the four independent directors referred to above. The remaining directors, being Siemens Energy’s proprietary directors and the executive director, adhered to the decision adopted by the independent directors in order to form the joint opinion of the Board of Directors. Without prejudice to the foregoing, the report includes the representations and statements of opinion and intentions regarding the Offer required from all of the directors of Siemens Gamesa on an individual basis as set out by article 24 of Royal Decree 1066/2007.

The Offer was authorised by the Spanish National Securities Market Commission (the “**CNMV**”) on 7 November 2022. Said authorisation was announced by the CNMV through a notice posted on its website (with registry number 411). The terms and conditions of the Offer are described in detail in the corresponding explanatory prospectus prepared by the Bidder and scrutinised by the CNMV (the “**Prospectus**”). The Prospectus is available to the public in hard-copy form at the offices of the CNMV, the stock exchanges of Barcelona, Bilbao, Madrid and Valencia (the “**Spanish Stock Exchanges**”) and at the registered offices of the Bidder and Siemens Gamesa and in digital form on the websites of the CNMV (www.cnmv.es), Siemens Gamesa (www.siemensgamesa.com/es-es) and Siemens Energy (<https://www.siemens-energy.com/global/en/company/investor-relations/sgre.html>).

The Board of Directors notes the mandatory yet non-binding nature of this report and of the opinions stated herein. The opinions stated in this report have been issued in good faith and solely on the basis of the circumstances known as at today, and no account may be taken of circumstances or events, whether foreseeable or otherwise, occurring after said date or otherwise unknown to the members of the Board of Directors.

This report does not constitute an investment or divestment recommendation or advice and it is for each shareholder of Siemens Gamesa to decide, after consulting with financial and legal advisors if appropriate, whether or not to accept the Offer, having regard to all applicable factors including, among others, their particular circumstances and interests, based on the information contained in the Prospectus and this report, including their respective annexes, which should be read in full. The aforementioned statements form an essential and inseparable part of this report and should be read in conjunction herewith.

1. MAIN FEATURES OF THE OFFER

The features of the Offer are described in chapters 1 to 3 of the Prospectus, which should be read in full. Without prejudice to the foregoing, some of its main features are summarised below:

1.1 THE BIDDER

The Bidder is Siemens Energy Global GmbH & Co. KG (previously Siemens Gas & Power GmbH & Co. KG). SE KG is a company incorporated in accordance with German law, with registered office at Otto-Hahn-Ring 6, 81739 Munich, Germany, registered with the commercial registry (*Handelsregister*) of the local court (*Amtsgericht*) of Munich with registration number HRA 111200. The shares of the Bidder are not listed on any securities market.

SE KG is, in turn, wholly-owned by Siemens Energy AG, a German public limited liability company (*Aktiengesellschaft*) incorporated under German law. Siemens Energy is registered with the commercial registry (*Handelsregister*) of the local court (*Amtsgericht*) of Munich with registration number HRB 252581 and its registered office is at Otto-Hahn-Ring 6, 81739 Munich, Germany.

Siemens Energy's share capital is 726,645,193 euros and it is divided into 726,645,193 shares without nominal value (*Stückaktien*). The shares are registered in the name of their holders. The share capital is fully paid up. The shares have been created in accordance with German law. The shares of Siemens Energy are listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

SE KG is managed by its general partner (*Komplementär*), Siemens Gas & Power Management GmbH ("**SE Management**"). SE Management is a company incorporated in accordance with German law, with registered office at Otto-Hahn-Ring 6, 81739 Munich, Germany, and registered with the commercial registry (*Handelsregister*) of the local court (*Amtsgericht*) of Munich with registration number HRB 241345. The shares of SE Management are not listed on any securities market.

SE indirectly holds 67.07% of the voting rights of Siemens Gamesa. Siemens Energy holds the entire equity and fully controls SE Management, SE KG's general partner (*Komplementär*) and managing entity. In its capacity as general partner (*Komplementär*), SE Management is the representative of SE KG and, consequently, has the ability to exercise the voting rights held by SE KG in Siemens Gamesa. SE KG holds 67.07% of Siemens Gamesa's voting rights.

As such, Siemens Gamesa is a subsidiary of Siemens Energy and forms part of the group of companies of which Siemens Energy is the parent company.

1.2 SECURITIES TARGETED BY THE OFFER

The Offer is targeted at the entire share capital of Siemens Gamesa, excluding the 456,851,883 shares held by the Bidder, representing 67.07% of Siemens Gamesa's share capital. Therefore, the Offer effectively targets 224,291,499 shares of Siemens Gamesa, representing 32.93% of its share capital, which, together with the shares held by the Bidder that have been blocked through completion of the Offer, represent 100% of the share capital of Siemens Gamesa.

As stated in the Prospectus, the Offer is made in Spain in accordance with Spanish law and is addressed to all shareholders of Siemens Gamesa irrespective of their residence. The Offer is not being made in any jurisdiction where the making of the Offer would require the distribution or registration of the Prospectus or additional documentation to the Prospectus.

The terms of the Offer are identical for all of the shares of Siemens Gamesa to which it is addressed.

1.3 TYPE OF OFFER

The Offer is voluntary in accordance with the provisions of article 137 of the Securities Market Law and article 13 of Royal Decree 1066/2007.

1.4 CONSIDERATION OF THE OFFER

The Bidder offers a price of 18.05 euros per share of Siemens Gamesa, payable in cash (the “**Offer Price**”).

The Bidder states in the Prospectus that the Offer is voluntary and is made pursuant to the provisions of articles 137 of the Securities Market Law and 13 of Royal Decree 1066/2007, and therefore the price is not subject to the rules on the equitable price for mandatory offers.

The Bidder states in the Prospectus that although the Offer is voluntary, it considers that the Offer Price satisfies the requirements to be considered an equitable price in accordance with the rules set forth in articles 130 of the Securities Market Law and 9 of Royal Decree 1066/2007, and that it also satisfies the requirements of sections 5 and 6 of Article 10 of Royal Decree 1066/2007.

With respect to article 9 of Royal Decree 1066/2007, the Bidder reports in the Prospectus that certain directors of various subsidiaries of the Siemens Energy Group have carried out transactions in Siemens Gamesa’s shares at prices higher than the Offer Price during the 12 months preceding the announcement of the Bidder’s intention to commence the Offer released on 21 May 2022 (the “**Prior Announcement**”). The Bidder notes that, according to article 9.4.d) of Royal Decree 1066/2007, the prices at which such transactions were carried out have not been taken into account for purposes of determining the Offer Price as such transactions: (i) are private acquisitions which are by no means linked to the Bidder; (ii) have been carried out by persons not acting in concert with the Bidder; and (iii) correspond to transactions for a non-significant volume in relative terms and have been carried out on the open market at the corresponding price of the shares at that time. The Bidder further notes that it was not aware of these transactions as there were no legal or internal disclosure obligations which required the directors to report any such transactions.

The Bidder states in the Prospectus that, other than for the application of article 9.4.d) described above, none of the remaining scenarios set out in article 9.4 of Royal Decree 1066/2007 which could have an impact on the equitable price have taken place. Likewise, and in relation to the equitable price, the Bidder states in the Prospectus that neither the Bidder nor any entity within the Siemens Energy Group are parties to any agreement in force relating to the acquisition or subscription of shares in Siemens Gamesa.

The Bidder has submitted an independent valuation report issued on 25 October 2022 by PricewaterhouseCoopers Asesores de Negocios, S.L. (“**PwC**”) as an independent expert, the purpose of which is to value 100% of the shares of Siemens Gamesa in accordance with the rules and valuation methods established in article 10 of Royal Decree 1066/2007.

The Bidder notes that the Offer Price is within the value range set in the conclusions of the valuation report and, therefore, that it is justified for the purposes of the delisting procedure pursuant to the exception from the delisting offer provided in Article 11.d) of RD 1066/2007.

The valuation report has been prepared based on the available public and non-public information provided by both Siemens Energy (including Siemens Gamesa’s business plan covering a closing estimate of fiscal year 2022, the budget for fiscal year 2023 and the business plan for fiscal years 2024 to 2027, approved by the Board of Directors on 1 August 2022) and Siemens Gamesa, as well as PwC’s own analysis from sectorial, macroeconomic and market sources, analyst reports, comparable companies and discussions of PwC with members of Siemens Gamesa’s management and with the management of the Bidder.

The valuation date considered in the analysis is 30 June 2022, the closing date of the interim consolidated financial statements for the third quarter of 2022 (30 June 2022). PwC has taken into account in its valuation the regulatory announcements published by Siemens Gamesa and Siemens Energy, the developments disclosed by Siemens Gamesa as well as the sector, industry and market

macroeconomic data, up to the date of the report, and it has also analyzed and taken into consideration the preliminary unaudited estimated financial closing of the 2022 fiscal year prepared by Siemens Gamesa in close proximity to the date of the report. Consequently, PwC maintains its conclusion on the value of Siemens Gamesa's shares as of 25 October 2022.

PwC has concluded that, as at 25 October 2022, the value of Siemens Gamesa's shares was between 16.03 and 19.85 euros per share, which is the range resulting from the discounted cash flow methodology. PwC considers that the discounted cash flows method ("DCF") is the most appropriate methodology to determine the value of Siemens Gamesa. PwC believes that the width of the range is justified, reasonable and logical given the financial projection profile of the scenarios on which it is based and the rationale behind those scenarios. PwC also considers that the value range resulting from the DCF is supported and contrasted by the weighted average listing price of the previous semester (18.01 euros per share).

PwC notes that the market multiples of comparable listed companies is not a valid methodology to reach a conclusion on the value per share of Siemens Gamesa, nor does it serve as a cross-check of the results obtained using other methodologies, because it has not found a sample of listed companies sufficient in size and comparability with Siemens Gamesa to apply the methodology and obtain conclusive results, and there is no basis of recent or estimated valid normalized earnings before interest, taxes, depreciation and amortization ("EBITDA") data to apply them. Similarly, PwC concludes that the market multiples of comparable transactions is not a valid methodology to reach a conclusion on the value per share of Siemens Gamesa, nor does it serve as a cross-check of the results obtained using other methodologies, given the small number of transactions identified by PwC, the fact that they are not sufficiently comparable in terms of activity, and the fact that the recent historical (EBITDA) and expected earnings base is negative or insufficient, and is not the normalized one, all of which distorts the results and the very nature of the methodology.

On the other hand, the underlying book value has not been considered appropriate since it is a static valuation approach that does not capture future expectations of the Company. In addition, PwC has not carried out the detailed calculation of the liquidation value of Siemens Gamesa, as it would result in significantly lower values than those obtained from the other methodologies, and there have been no takeover bids over the shares of Siemens Gamesa since it was listed.

Likewise, in its authorisation of the Offer the CNMV stated that: *"The price of the bid is 18.05 euros per share and, although it is not necessary as the bid is voluntary, it is sufficiently justified for the purposes of Article 130 of the Recast Text of the Spanish Securities and Articles 9 and 10 of Spanish Royal Decree 1066/2007, of 27 July, on takeover bids. In its analysis, the CNMV has taken into account in this regard the valuation report submitted by the offeror and its update which, applying the methods and rules of the Royal Decree, conclude in a value range that contains the price of the bid. Additionally, in this case the CNMV has received external advice, which has concluded, in its analysis, that its value range is in line with that of the prescriptive report provided by the offeror. Likewise, the provision of Article 9(4)(d) of the aforementioned Royal Decree, in respect of the acquisition of shares at a market price for a non-significant volume in relative terms, has been taken into account, with the detail included in the prospectus of the offer"*.

Finally, as stated in the Prospectus, the Offer Price represented a premium of approximately (i) 27.7% of the closing share price of Siemens Gamesa (14.13 euros per share) on 17 May 2022 (the price prior to the trading day in which Siemens Energy acknowledged that it was considering a tender offer in cash over the shares of Siemens Gamesa with the intention of delisting the Company –without indicating any price–, stating that no decision had been taken and there was no certainty that the transaction would materialize), (ii) 10.8% of the VWAP (16.29 euros per share) for the three month period prior to 21 May 2022 (date of publication of the Prior Announcement of the Offer) and (iii) 7.79% of the closing price of the shares of Siemens Gamesa on the day prior to the publication of the Prior Announcement of the Offer (16.745 euros per share). The VWAP for the six month period preceding the Prior Announcement

of the Offer is 18.01 euros per share and therefore the Offer Price represents a premium of 0.2% over this share price.

1.5 CONDITIONS TO WHICH THE OFFER IS SUBJECT

As stated in the Prospectus, the effectiveness of the Offer is not subject to any conditions or authorizations of any kind.

1.6 ACCEPTANCE PERIOD

The acceptance period for the Offer is 36 calendar days as from the trading day following the date of publication of the first announcement of the Offer by the Bidder once the CNMV has approved the Offer, on the terms established in article 22 of Royal Decree 1066/2007.

As a result, as notified by the CNMV in its announcement released on 8 November 2022, the period started on 8 November 2022 and will end at 23:59 hours (C.E.T.) on 13 December 2022, unless it is extended in accordance with the provisions of article 23 of Royal Decree 1066/2007.

1.7 GUARANTEES AND FINANCING OF THE OFFER

1.7.1 Guarantees of the Offer

In accordance with articles 15.1 and 15.2 of Royal Decree 1066/2007 and in order to guarantee compliance with the obligations arising from the Offer, the Bidder has submitted to the CNMV twenty first-demand bank guarantees for an aggregate amount of 1,940,000,000 euros and a certificate evidencing the creation of an escrow cash deposit for an amount of 2,108,461,556.96 euros, which together cover the entire consideration payable to the shareholders of Siemens Gamesa in the event that the Offer is accepted by all the addressees of the Offer (4,048,461,556.95 euros).

1.7.2 Financing of the Offer

The Bidder states in the Prospectus that it will fund the Offer through a combination of existing own funds, the proceeds from the issuance of mandatory convertible notes and external financing as follows:

- (i) 1,148,461,556.96 euros from existing own funds that have been deposited in the escrow cash deposit referred to in section 1.7.1 above.
- (ii) 960,000,000 euros from the proceeds of the issuance of 5.625% mandatory subordinated convertible notes due on 14 September 2025 issued by Siemens Energy Finance B.V. on 6 September 2022. The proceeds from the issuance have been placed in the escrow cash deposit referred to in section 1.7.1 above.
- (iii) 1,940,000,000 euros from the bridge facility made available to the Bidder under a bridge facility agreement dated 21 May 2022 between the Bidder, as borrower, and a number of financial institutions, as lenders, among others.

In case of partial acceptance of the Offer, the Bidder states that the consideration for the Offer shall be paid, in the first place, using the own funds previously available and the proceeds from the issuance of the mandatory convertible notes, which have been deposited in the escrow cash deposit referred to in section 1.7.1 above. Any outstanding amounts will be paid via drawings under the bridge facility.

In any case, the Bidder states that it will have the necessary funds to pay the consideration of the Offer on the settlement date without the need to enforce the guarantees detailed in section 1.7.1 above.

The Bidder states in the Prospectus that the financing of the Offer will not result in an increase of the financial indebtedness of Siemens Gamesa or its subsidiaries.

Additionally, the Bidder notes in the Prospectus that no guarantee or security will be granted by Siemens Gamesa or its subsidiaries to secure the Bidder and Siemens Energy's obligations under the bridge facility agreement.

Siemens Gamesa and its subsidiaries are not a party to the bridge facility agreement and it is not contemplated that they will accede to it at any point in time and, consequently, none of them have any contractual obligation under the bridge facility agreement.

The Bidder further notes that Siemens Gamesa's activity will not be affected or restricted in comparison with the situation existing prior to the Offer or the signing of the bridge facility agreement.

Similarly, the Bidder states that the bridge facility agreement does not impose (i) any restrictions on the distribution of dividends by Siemens Gamesa nor obligations for Siemens Gamesa to distribute dividends; nor (ii) undertakings for Siemens Gamesa to utilise any amounts received towards the repayment of the bridge facility agreement; nor (iii) undertakings regarding compliance by Siemens Gamesa or its subsidiaries with financial covenants.

The terms and conditions of the mandatory convertible notes and the bridge facility agreement are described in further detail in sections 2.5.2 and 2.5.3 of the Prospectus.

2. PURPOSE OF THE OFFER AND THE BIDDER'S STRATEGIC PLANS AND INTENTIONS REGARDING SIEMENS GAMESA

A full description of the purpose of the Offer and of the Bidder's strategic plans and intentions regarding Siemens Gamesa is included in chapter 4 of the Prospectus, which should be read in full. Statements made by the Bidder in chapter 4 of the Prospectus should also be construed as been made by Siemens Energy. Without prejudice to the foregoing, some of these matters are summarised below.

2.1 PURPOSE OF THE OFFER

As the Bidder has stated in the Prospectus, the objective of the Offer is to acquire all the shares of Siemens Gamesa not indirectly owned by the Bidder, with the intention of delisting the shares of Siemens Gamesa from the Spanish Stock Exchanges after the settlement of the Offer provided that a shareholding of at least 75% of the share capital is reached.

Following the Offer and regardless of its outcome, the Bidder has stated in the Prospectus its intention of achieving greater strategic alignment between the Siemens Gamesa group and the Siemens Energy Group, to which Siemens Gamesa belongs, in order to improve the overall management of their operations by means of the implementation of the following goals and measures:

- (A) Simplify and improve the organization of the Siemens Energy Group by establishing a simpler structure and a unified management, applying common reporting, control and governance processes to all the companies of the group (including Siemens Gamesa and its subsidiaries).

In the event that it is possible to carry out the delisting of Siemens Gamesa's shares from the Spanish Stock Exchanges, the Siemens Energy Group shall consist of a single listed company as the parent of the group (which is expected to result in lower communication, management and reporting costs by reducing the costs and complexity inherent in maintaining a listed company), allowing the operating companies, including Siemens Gamesa, to focus on the day-to-day management and concentrating in Siemens Energy the management of the group. The Bidder also plans in this scenario to streamline the corporate governance structure (through the measures stated in section 2.8), which will allow a more efficient decision-making process and execution while avoiding unnecessary duplication of responsibilities.

- (B) Maximize the opportunities arising from a larger size of the Siemens Energy Group by increasing its current stake of 67.07% of the share capital and avoid unnecessary duplication, in particular:
- (i) Enhance the cooperation among Siemens Energy and Siemens Gamesa and their respective subsidiaries in relation to their approach to customers, increasing cross-selling activities and allowing Siemens Gamesa more immediate and efficient access to Siemens Energy's capabilities in the Gas and Power segment (in particular its global customer portfolio) and in Siemens Energy's growing new technologies business.
 - (ii) Improve efficiency in supplier relations and the unified management of larger purchasing volumes, allowing further cost savings while improving the position of the Siemens Energy Group to cope with supply chain disruptions.
 - (iii) Enhance Siemens Gamesa's operational capability (e.g. in the area of support functions, manufacturing, project execution, supply chain management and sales) by further

integrating its day-to-day operations with Siemens Energy's processes, capabilities and experience in turning around businesses, which the Bidder believes will contribute to solving the current operational challenges faced by Siemens Gamesa.

- (iv) Improve the financial profile of the Siemens Energy Group thanks to the revenue and cost synergies that the Bidder expects to obtain as a result of the implementation of the targeted integration measures and under the unified management of the Siemens Energy Group.

In particular, in terms of costs, the Bidder has estimated the integration measures to generate synergies of up to 300 million euros per year in terms of impact on earnings before interest and taxes ("**EBIT**") on a run-rate basis from the third year after Siemens Gamesa has been delisted from the Spanish Stock Exchanges and all projected integration measures have been implemented. Anticipated synergies are expected to stem mainly from the following initiatives, as described in the Prospectus:

- (i) Supply chain and logistics synergies from integrating the purchasing activities of Siemens Energy and Siemens Gamesa, as well as integrating the service and logistics networks.
- (ii) Focus on project execution through improved project selection and bidding, Siemens Energy's proven expertise in managing large and complex projects (including sharing of best practices for project management set-ups and execution) and the introduction of a more project-centric organization structure.
- (iii) Joint and integrated research and development ("**R&D**") efforts with the goal of reducing total expenditure.
- (iv) Cost reduction through an optimized administrative setup, including the centralization of certain administrative functions and harmonization of information technology ("**IT**") systems.

On top of the costs synergies, the Bidder expects additional growth-related revenue synergies in a range of around 400 to 600 million euros by the end of the decade through a joint go-to-market approach and a fully combined energy offering with a focus on value-added capabilities.

The Bidder states in the Prospectus that implementation of the above measures will not be straightforward, taking into account the rapidly changing macroeconomic and market environment in which Siemens Energy and Siemens Gamesa operate and the execution challenges inherent to them.

The estimated quantification of the synergies (in particular with regards to the cost synergies) is linked to reaching a shareholding of 100% of the share capital of Siemens Gamesa, as this would allow the full implementation of the integration measures described above regarding supply chain and logistics, project execution, R&D and administrative support services, and IT systems.

If the Bidder does not achieve a 100% shareholding in Siemens Gamesa, the Bidder has stated in the Prospectus that it considers that at least the delisting from the Spanish Stock Exchanges is necessary to achieve the aforementioned goals, although with a lower estimate of synergies. The delisting will allow Siemens Gamesa's management team to focus exclusively on the day-to-day management of its turnaround and the implementation of measures needed to achieve the long-term objectives (by reducing the workload associated with maintaining a listed company and the potential distractions generated by the fluctuation of listed share prices, and by streamlining the corporate governance structure to facilitate a more efficient decision-making and execution process).

2.2 STRATEGIC PLANS AND INTENTIONS OF THE BIDDER REGARDING FUTURE ACTIVITIES AND THE LOCATION OF THE ACTIVITY CENTRES OF SIEMENS GAMESA AND ITS GROUP

The Bidder states in the Prospectus that it will maintain the current strategy of Siemens Gamesa within the framework of the global strategy of the Siemens Energy Group to which it already belongs with the variations that may be necessary to adapt Siemens Gamesa to the rapidly changing macroeconomic and market environments as well as those deriving from the integration –as this term is used in the Prospectus– described in section 2.1 above, including in particular the initiatives relating to the joint approach to customers and suppliers, alignment of IT budgets and digitalisation, integration of service and logistics networks and a more efficient capital management. In addition, Siemens Gamesa will

continue executing and further developing the “Mistral” program, which measures were anticipated in the presentation of Siemens Gamesa’s results for the first half of 2022 published as an ad hoc announcement (*otra información relevante*) on 5 May 2022 and in the presentation of Siemens Gamesa’s results for the third quarter of 2022 published as an ad hoc announcement (*otra información relevante*) on 2 August 2022, and which aims to, among others, overhaul the current operating model, making the organization simpler and leaner. Measures undertaken as part of the “Mistral” program might result in changes to future activities deriving from the potential divestments in non-strategic assets referred to in section 2.4.1 or the location and/or closure of activity centers as Siemens Gamesa adjusts the manufacturing footprint and capacity to market demands.

All the foregoing and the evolution of the business may entail changes to the future activities of Siemens Gamesa and to the location of its activity centers.

2.3 STRATEGIC PLANS AND INTENTIONS WITH RESPECT TO THE PERSONNEL AND EXECUTIVES OF SIEMENS GAMESA AND ITS GROUP

As stated in the Prospectus, the Bidder considers that Siemens Gamesa’s personnel is one of its main assets and the management of its human resources to be a fundamental priority to ensure future success and retention of competitive edge. Siemens Energy targets to attract and retain talent in order to ensure that Siemens Gamesa has the appropriate personnel to carry out its activities.

Siemens Energy will analyze the working conditions at Siemens Gamesa and will consider alternatives to align Siemens Gamesa’s human resources policy with that of Siemens Energy, which may result in changes in the working conditions of Siemens Gamesa’s employees and management.

In relation to the maintenance of staff and management positions in Siemens Gamesa and its subsidiaries, the Bidder notes that it contemplates the possibility of making some additional adjustments to the workforce of the Siemens Gamesa Group as part of the integration process described in section 2.1 above, building on the adjustments which Siemens Gamesa announced on 29 September 2022 within the framework of the Mistral strategic program, which contemplates a series of initiatives to improve Siemens Gamesa’s performance as a result of which around 2,900 positions will be impacted globally, with the details of the affected countries pending to be defined in negotiations with the workers’ councils. The Bidder considers, as described in the Prospectus, that Siemens Gamesa will collaborate with employee representatives to minimize the impact of this adjustment, prioritizing natural attrition and internal transfers. The negotiation period has started in October 2022. The workforce changes will be implemented depending on the outcome of the negotiations with the workers’ councils, at the latest by fiscal year 2025.

2.4 PLANS FOR THE USE OR DISPOSAL OF SIEMENS GAMESA’S ASSETS; ANTICIPATED CHANGES IN ITS NET FINANCIAL DEBT

2.4.1 Plans for the use or disposal of Siemens Gamesa or its group’s assets

As stated in the Prospectus, the intention of Siemens Energy is to keep Siemens Gamesa’s asset portfolio in the long term, although Siemens Gamesa’s portfolio assessment as part of the Mistral strategic program might result in potential disposals of certain assets which are considered to be non-strategic.

2.4.2 Anticipated changes in Siemens Gamesa’s net financial debt

Siemens Gamesa’s net financial debt (including lease liabilities) as of the end of the 2020/2021 financial year ended 30 September 2021 amounted to 207 million euros. Net financial debt as of 30 June 2022 pursuant to its interim financial statements amounted to 2,275 million euros¹.

The net financial debt position as of 30 June 2022 is due to the financing needs arising from the current net losses at Siemens Gamesa. However, the Bidder has stated in the Prospectus that it foresees that, once the situation has normalized in the long-term, the net financial position will turn positive again (the

¹ This results in a net financial position of 780 million at 30 September 2021 and a net financial debt of 1,286 million at 30 June 2022, in both cases including “other financial assets” and “other financial liabilities” and excluding International Financial Reporting Standard 16 (IFRS 16) lease liabilities.

Company will have more cash than financial debt), as it has been the case in previous years and as it is usual in the sector in which Siemens Gamesa operates. In the short-term, after the Offer, Siemens Energy believes, as reflected in the Prospectus, that the current indebtedness might require strengthening the balance sheet of Siemens Gamesa, and plans to review Siemens Gamesa's current financing agreements and to evaluate measures to integrate the current cash management structures of Siemens Energy and Siemens Gamesa in order to improve capital allocation and financial efficiency within the group and to alleviate via intra-group funding potential cash strains to which the group companies (including Siemens Gamesa) may be exposed as a result of the evolution of their business.

Siemens Energy remains committed to maintain an investment grade credit rating on a consolidated group level.

2.5 PLANS RELATING TO THE ISSUANCE OF SECURITIES OF ANY KIND

According to the Prospectus, the Bidder has no plan or intention for Siemens Gamesa or any of its subsidiaries to issue any securities.

2.6 CORPORATE RESTRUCTURING OF ANY KIND

As stated in the Prospectus, the Bidder will analyse the feasibility and advisability of carrying out the legal integration of Siemens Gamesa and Siemens Energy by undertaking corporate restructuring measures (mergers, spin-offs, structural modifications, capital increases or reductions) affecting both companies and which contribute to simplifying the organisational structure of the Siemens Energy Group.

The Bidder claims in the Prospectus not to have taken any decision on any such transaction and acknowledges that, in any case, the current corporate structure could be maintained after the Offer, in particular, in the event that the delisting of the shares of Siemens Gamesa from the Spanish Stock Exchanges does not take place as well as in the scenario where the Bidder acquires the entire share capital of the Company.

2.7 DIVIDEND POLICY AND SIEMENS GAMESA'S SHAREHOLDER REMUNERATION

Siemens Energy, as described in the Prospectus, intends to retain Siemens Gamesa's net earnings in the Company in order to support Siemens Gamesa's profitability and growth, irrespective of whether or not Siemens Gamesa is delisted from the Spanish Stock Exchanges after the settlement of the Offer.

The Bidder does not intend either to implement in Siemens Gamesa, whether it remains a listed company or is delisted, the dividend policy of Siemens Energy, which, as stated in the Prospectus for admission to trading of its shares dated 7 September 2020, is to distribute between 40% and 60% of the net profit attributable to its shareholders calculated in accordance with the consolidated financial statements.

2.8 PLANS CONCERNING THE ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES OF SIEMENS GAMESA

According to the Prospectus, as long as Siemens Gamesa continues to be a listed company, Siemens Energy will ensure that it continues to comply with applicable law in respect of the composition and operation of the board of directors and committees of listed companies established in the Spanish Companies Act, taking into consideration the good corporate governance recommendations for listed companies, but will consider a reduction of the number of directors (both proprietary and independent), maintaining a majority representation as the current one.

In the event of the delisting of Siemens Gamesa's shares from the Spanish Stock Exchanges, the Bidder, as stated in the Prospectus, plans (i) to reduce the number of directors comprising its board of directors, including independent directors, and maintaining a majority representation, and to reduce the number of, or eliminate, the board committees, or alternatively (ii) to replace the management body of Siemens Gamesa with a sole director, joint and several directors or joint directors appointed at the proposal of the Bidder. The Bidder states in the Prospectus that this would simplify the current governance structure and streamline decision-making, regardless of the shareholding achieved in Siemens Gamesa after the Offer and of the number of shareholders of Siemens Gamesa other than the Bidder that continue to hold shares in the Company after the delisting and of the shareholding that they

hold. Finally, if the Bidder were to become the sole shareholder of Siemens Gamesa as a result of the Offer or the exercise of the squeeze-out right, its intention as stated in the Prospectus is either to maintain a smaller board of directors consisting solely of executive and proprietary directors or to replace the management body of Siemens Gamesa with a sole director, joint and several directors or joint directors.

2.9 PROVISIONS RELATING TO THE ARTICLES OF ASSOCIATION OF SIEMENS GAMESA

As stated in the Prospectus, in case Siemens Gamesa remains as a listed entity, the Bidder does not intend to amend its articles of association, which will continue to comply with the applicable requirements for listed companies.

In case Siemens Gamesa's shares are delisted from the Spanish Stock Exchanges, the Bidder has stated in the Prospectus that it will amend the bylaws as it deems necessary or appropriate to adjust them to those of a private company and to carry out those changes in the governance structure mentioned in the preceding section, in particular those relating to the changes contemplated to the board of directors and the reduction or elimination of the board committees.

2.10 INTENTIONS REGARDING THE DELISTING OF THE SHARES OF SIEMENS GAMESA

According to the Prospectus, the Bidder will exercise its squeeze out right set forth in Articles 136 of the Securities Market Act and Article 47.1 of Royal Decree 1066/2007 if the relevant thresholds are met, and this will imply a delisting of the shares of Siemens Gamesa from the Spanish Stock Exchanges.

As stated in the Prospectus, if the thresholds provided for in such Articles are not met and, therefore, the squeeze-out right cannot be exercised as set out in Section 4.11 of the Prospectus, but Siemens Energy reaches on the date of the settlement of the Offer a minimum shareholding of 75% of Siemens Gamesa's share capital carrying voting rights, the delisting will be pursued by the Bidder in reliance of the procedure regarding the exemption from the obligation to make a delisting bid provided for in Article 11.d) of Royal Decree 1066/2007, which shall be submitted to the general meeting of shareholders of Siemens Gamesa at the proposal of its board of directors.

In this second scenario, in accordance with Article 11.d) of Royal Decree 1066/2007 and the intentions contained in the Prospectus, the Bidder shall promote, through Siemens Gamesa, the calling and holding of a general shareholders' meeting of Siemens Gamesa to which the delisting of its shares will be submitted pursuant to such procedure in which the Bidder shall facilitate the sale of the remaining shares of Siemens Gamesa through a standing purchase order on the outstanding shares for a minimum period of one month at the same price as the Offer Price.

The delisting of the shares of Siemens Gamesa would take place after its approval by the general shareholders' meeting of Siemens Gamesa and following receipt of the authorization by the CNMV of the delisting application to be filed by Siemens Gamesa and, in any case, within six months from the settlement of the Offer.

As stated in the Prospectus, the aforementioned 75% ownership condition will be deemed to have been satisfied if at least 53,838,351 shares, representing 7.90% of Siemens Gamesa's share capital, other than those held by the 65 members of the management bodies of companies belonging to the Siemens Energy Group disclosed in the Prospectus (167,302 shares representing 0.02% of the share capital) are tendered to the Offer. The voting rights of such shares attributed to Siemens Energy, together with the 457,019,185 shares whose voting rights are allocated to the Bidder (67.10% of the share capital), represent 75% of Siemens Gamesa's share capital.

If Siemens Energy does not reach 75% of the share capital carrying voting rights in Siemens Gamesa on the settlement date of the Offer, and the Bidder still intended to promote the delisting of the shares of Siemens Gamesa from the Spanish Stock Exchanges, the Bidder considers that a delisting tender offer would be necessary in accordance with Article 82 of the Securities Market Act at a price compliant with sections 5 and 6 of Article 10 of Royal Decree 1066/2007.

2.11 INTENTIONS WITH RESPECT TO SELL-OUT RIGHTS

As stated in the Prospectus, the Bidder will exercise the squeeze-out right if the thresholds provided for in Articles 136 of the LMV and 47.1 of Royal Decree 1066/2007 are reached, which would result in the delisting of Siemens Gamesa's shares from the Spanish Stock Exchanges, as stated in Article 48.10 of Royal Decree 1066/2007.

These thresholds will be considered to have been met if the acceptances allow Siemens Energy to reach 96.71% of Siemens Gamesa's share capital carrying voting rights.

3. ACTIONS TAKEN BY SIEMENS GAMESA IN THE CONTEXT OF THE OFFER

3.1 ACTIONS BEFORE THE PRIOR ANNOUNCEMENT

On 18 April 2022, Siemens Gamesa entered into a non-disclosure agreement with Siemens Energy to preserve the use and confidentiality of certain information that Siemens Gamesa and Siemens Energy would exchange for assessing a potential business combination.

On 10 May 2022, the Board of Directors (with the proprietary directors recusing themselves from the board deliberation), at the request of Siemens Energy and following receipt of the appropriate external legal advice from Allen & Overy, resolved to co-operate with PricewaterhouseCoopers Asesores de Negocios, S.L. ("**PwC**") in the context of an independent valuation of the shares of Siemens Gamesa commissioned by Siemens Energy to PwC as independent expert and authorized the Chief Financial Officer to hold discussions with PwC on the latter's understanding of the mid- to long-term prospects of Siemens Gamesa to enable the expert to arrive to a fair and independent valuation of the Siemens Gamesa group that could be used in the context of a potential transaction, provided that no inside information would be discussed with PwC. In this context, PwC agreed to be bound by the terms and conditions of the non-disclosure agreement between Siemens Gamesa and Siemens Energy referred to above by way of a side letter dated 10 May 2022. The request was accepted by the Board of Directors in compliance with the overriding fiduciary duty of directors to look after the best interest of Siemens Gamesa and its shareholders and with the intent of favouring the independent valuation exercise—of crucial importance for minority shareholders—to be conducted as objectively as possible to provide greater reliability and protection to all the minority shareholders in the event that a transaction would finally materialize. Legal and financial advisors engaged by the Board of Directors during this initial stage preceding the Prior Announcement monitored such process.

3.2 ACTIONS AFTER THE PRIOR ANNOUNCEMENT

Following the publication of the Prior Announcement, the Board of Directors and Siemens Gamesa's management team have diligently observed the applicable regulation regarding tender offers. In particular, the directors have at all times complied with the general duty to defend the interest of Siemens Gamesa and its shareholders, as well as with the regime established in article 134 of the Securities Market Law and article 28 of Royal Decree 1066/2007 in respect of the corporate actions permissible to the Board of Directors and management team of the target company of a tender offer during the pendency of the offer.

Likewise, the directors have also strictly observed their general duties of care and loyalty, including but not limited to, their duties to devote all appropriate dedication to the assessment of the Offer, to demand the information necessary to comply with their obligations, to obtain external advice, to uphold confidentiality and to avoid incurring in conflicts of interest situations, as stated in this section 3 and in section 7 below. The following actions carried out by the Board of Directors and management team of Siemens Gamesa are of particular importance:

- (i) At its meeting held on 22 May 2022, following the release of the Prior Announcement by the Bidder the day before, the Board of Directors resolved by unanimous vote of its members to create the Committee of Independents, an internal monitoring committee responsible for overseeing the process from the perspective of the corporate interest of the Company and of the shareholders different from the Bidder. It was resolved that the Committee of Independents would be made up of all the independent directors of Siemens Gamesa, namely, Mr. Rudolf Krämmer, Ms. Gloria Hernández, Mr. Harald von Heynitz and Mr. Francisco Belil, with Mr.

Harald von Heynitz serving as chairman and Mr. Juan Antonio García, secretary non-member of the Board of Directors, as secretary non-member thereof. The Board further resolved to set an additional compensation payable to the members of the Monitoring Committee in consideration for their increased dedication throughout the Offer period.

With the assistance of the legal and financial advisors selected by the Committee of Independents (as further described below), the Committee of Independents has monitored on an ongoing basis the Offer process and its implications for the Company's shareholders, employees and other stakeholders. The Committee of Independents has met regularly and has invited the external advisors to its meetings in order to receive updated information on the development of the Offer and gather advice in respect of various aspects regarding thereto.

The Committee of Independents has produced the draft of this report submitted to the Board of Directors for final approval and shared with the Board of Directors its observations with respect to the Offer as well as the external advice received in respect thereto.

- (ii) The Committee of Independents conducted a selection process as a result of which at its meeting dated 27 May 2022 it resolved by unanimous vote of its members to engage Morgan Stanley & Co. International plc ("**Morgan Stanley**") as financial advisor and Uría Menéndez Abogados, S.L.P. ("**Uría Menéndez**") as legal advisor to the Board of Directors and the Committee of Independents itself in relation to the Offer. The decision of the Committee of Independents to engage Morgan Stanley and Uría Menéndez was ratified by the Board of Directors at its meeting dated 24 June 2022 with Mr. Miguel Ángel López, Mr. Christian Bruch, Mr. André Clark, Ms. Mariel von Schumann and Ms. Maria Ferraro recusing themselves from participating in the discussion and voting of the ratification given their status as proprietary directors representing the Siemens Energy Group.

In addition, given that at the time the Offer was announced, the management team of the Company under the leadership of Mr. Jochen Eickholt, as Siemens Gamesa's new CEO was in the process of preparing a budget for fiscal year 2023 and new business plan for the period comprising fiscal years 2024-2027 at the request of the Board of Directors, the Committee of Independents has monitored and supervised the process for the preparation of such new business plan.

For such purposes, in light of the level of industry knowledge and sector expertise required to skilfully assess the robustness of the preparation process of the budget for fiscal year 2023 and new business plan for the period comprising fiscal years 2024-2027, and the assumptions and hypothesis on which they are based, particularly those related to the market and the industry, the Committee of Independents decided on 21 June 2022 to engage KPMG Asesores, S.L. ("**KPMG**") as industry advisor. The decision of the Committee of Independents to engage KPMG was ratified by the Board of Directors at its meeting held on 24 June 2022 with Mr. Miguel Ángel López, Mr. Christian Bruch, Mr. André Clark, Ms. Mariel von Schumann and Ms. Maria Ferraro recusing themselves from participating in the discussion and voting of the ratification given their status as proprietary directors representing the Siemens Energy Group.

Both of KPMG, as the Committee's industry advisor, and Morgan Stanley, the Committee's financial advisor, have had continuous and regular contact with the management of the Company to assist the Committee of Independents in the review of the operational and financial aspects, respectively, of the budget for fiscal year 2023 and new business plan for the period comprising fiscal years 2024-2027 during their preparation by the Company's management while keeping the Committee of Independents regularly informed about the developments regarding the drafting by the Company's management of such budget and new business plan and their interactions with them. Uría Menéndez has provided legal advice to the Committee in connection with such process.

- (iii) On 16 June 2022, the Chairman of the Board of Directors received a notice from the CNMV informing of the admission for processing of the Offer. In its notice, the CNMV mentioned that the Bidder would be required to update both PwC's valuation report and the Prospectus as a

result of the ongoing review and, if appropriate, approval of Siemens Gamesa's new business plan, all of which was duly noted by the members of the Board of Directors.

- (iv) At its meeting held on 1 August 2022, the Board of Directors approved by unanimous vote of its members Siemens Gamesa's budget for fiscal year 2023 and new business plan for the period comprising fiscal years 2024-2027. The Board of Directors acknowledged that the proprietary Directors appointed at the proposal of Siemens Energy might share such budget and new business plan of the Company with Siemens Energy which, in turn, could share all or part of it with PwC, in its capacity as independent expert retained by Siemens Energy to prepare a valuation report of the shares of Siemens Gamesa. In this capacity, PwC held meetings and conference calls with members of the management team of Siemens Gamesa in the weeks following such approval to clarify certain matters regarding the budget and new business plan to complete its valuation exercise.

The Board of Directors would like to note that neither the budget nor the new business plan have been designed or prepared specifically for use in the context of the Offer or as part of any valuation exercise to assess the price offered by the Bidder in the Offer, but rather to allow the Board of Directors and the management team of the Company to steer the strategy of Siemens Gamesa in the future. In this regard, it is also noted that Siemens Gamesa has not disclosed to the public its budget for fiscal year 2023 and the new business plan for the period comprising fiscal years 2024-2027. However, as stated in PwC's report, the expert has had access to both such budget and business plan and has considered them, among other inputs, in their conclusions.

- (v) On 2 August 2022 Siemens Gamesa published its results corresponding to the third quarter of fiscal year 2022. Along with the publication of the results, the Company announced it had updated the targets for revenues and EBIT margin excluding the impact of fair value amortization of intangible assets as a result of the purchase price allocation ("**pre PPA**") and integration and restructuring ("**I&R**") costs for the fiscal year 2022 mainly as a result of the impact of direct costs of raw materials, the global crisis of supply chain and the costs driven by component failures and repairs. With respect to the guidance on the results for fiscal year 2022 communicated on 5 May 2022, on the occasion of the release of Siemens Gamesa's results for the first half of 2022, the Board of Directors revised its revenue growth target to the lower end of the previously communicated range (-9% year-on-year of the previous range from -9.0% to -2.0%). With respect to the EBIT margin pre PPA and I&R costs target, the Board of Directors revised downward its target communicated on 5 May 2022 to -5.5%. The Company also provided guidance for fiscal year 2023, where it expects EBIT margin pre PPA and I&R costs to remain negative. Finally, the Company expressed its commitment to continue implementing actions to achieve its long-term vision of an EBIT margin equal to or greater than 8%.

- (vi) Likewise, the Committee of Independents, upon the written request of the Bidder, authorized the Company to demand the custodians and financial intermediaries that hold shares in the name and on behalf of their clients, the identification of the ultimate beneficial owners of the shares of Siemens Gamesa under Article 497 *bis* of the consolidated text of the Spanish Companies Law, approved by Royal Decree 1/2010, of 2 July (the "**Spanish Companies Law**"). The above request was made by the Company due to technical difficulties that temporarily prevented Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**") from handling the exercise of this right by Siemens Energy as holder of more than 3% of Siemens Gamesa's share capital. To that effect, Siemens Gamesa retained Santander Investment, S.A. to assist the Company in the process of identification of the ultimate beneficial owners. The information obtained as a result of the process of identification was also made available to the Bidder, for its own purposes, without providing personal data of natural persons.

The fees and expenses paid in connection with the activities carried out in identifying the ultimate beneficial owners of the Company's shares were assumed by or reimbursed to Siemens Gamesa by the Bidder.

- (vii) On 20 October 2022, following its review by the Delegated Executive Committee of Siemens Gamesa's Board of Directors, the Company delivered to Siemens Energy, pursuant to the Framework Agreement dated May 20, 2020, between Siemens Gamesa and Siemens Energy (available on Siemens Gamesa's corporate website) —which includes mandatory items to be complied with by Siemens Gamesa for the purposes of meeting and complying with Siemens Energy Group's requirements— a preliminary unaudited closing estimate of fiscal year 2022.
- (viii) On 20 October 2022, the Audit, Compliance and Related Party Transactions Committee of Siemens Gamesa's Board of Directors, with Maria Ferraro recusing herself from participating in the discussion and voting of such proposal in light of her conflict of interest given its classification as a proprietary director of Siemens Energy, resolved to issue a positive report regarding the related party transaction consisting in the tendering the treasury shares held by Siemens Gamesa to the Offer in the event that the Board of Directors decided to express a positive opinion on the Offer Price.
- (ix) On 10 November 2022, following its review by the Company's Audit, Compliance and Related Party Transactions Committee and the approval of Siemens Gamesa's Board of Directors, Siemens Gamesa published its results corresponding to the fiscal year 2022 (October 2021 through September 2022). Siemens Gamesa recorded 9,814 million euros in consolidated revenue in fiscal year 2022, a 4% decline compared to fiscal year 2021 (-7.5% on a comparable basis), and reported an EBIT margin pre PPA and before I&R costs of -5.9% (-581 million euros). The Group's 2022 results include the positive impact of the sale of the portfolio of wind development assets in southern Europe during the fourth quarter of 2022, amounting to 613 million euros in revenue and 565 million euros in EBIT pre PPA and before I&R costs.
- (x) Moreover, on 10 November 2022 the Board of Directors decided to discontinue the Executive Committee of the Board, withdrawing the powers vested on it and repealing its internal regulations.
- (xi) On 11 November 2022 Siemens Gamesa received a formal written request from the Bidder to circulate to the shareholders of the Company a letter informing them of the main terms and timetable of the Offer whose content had been approved by the CNMV at the time of authorizing the Offer and was appended to Annex 15 of the Prospectus within the materials signed-off by the CNMV as part of the publicity and communication campaign of the Offer envisaged by the Bidder. On 14 November 2022 the Committee of Independents approved the submission by Siemens Gamesa of such letter to the Company's shareholders. The Bidder has agreed to reimburse Siemens Gamesa for the cost of mailing such letter to the shareholders of the Company.
- (xii) Finally, the Board of Directors has ensured strict compliance with Siemens Gamesa's obligations in relation with the publication of the Prospectus on its website, as well as with the obligations to provide information to the employees of all the companies of its group, including delivering the Prior Announcement and the Prospectus thereto.

3.3 ADVICE RECEIVED BY THE BOARD OF DIRECTORS

As already stated in section 3.2 above, the Board of Directors, through the Committee of Independents, appointed Uría Menéndez as legal counsel and Morgan Stanley as financial advisor in relation to the Offer. In addition, KPMG was appointed as industry consultant to the Committee of Independents in connection with the review of the new business plan.

Additionally, in line with customary practice for this type of transactions, the Board of Directors retained Morgan Stanley and KPMG to each prepare and issue an opinion addressed to the Board of Directors and no-one else on the fairness, from a financial point of view of the Offer Price to be paid to the shareholders of Siemens Gamesa, other than the Bidder or its affiliates or connected or concerned parties, tendering their shares in the Offer, as at the date of issuing the relevant opinion, as described in greater detail in section 8.2 below.

4. AGREEMENTS BETWEEN SIEMENS GAMESA AND THE BIDDER, ITS DIRECTORS OR SHAREHOLDERS, OR BETWEEN ANY OF THE FOREGOING AND THE DIRECTORS OF SIEMENS GAMESA

4.1 AGREEMENTS BETWEEN SIEMENS GAMESA AND THE BIDDER

As anticipated in section 3.2 above, on 12 August 2022 the Bidder submitted a letter to Siemens Gamesa formally requesting it to enquire the custodians and financial intermediaries holding Company's shares for the identification of the ultimate beneficial owners of the shares of Siemens Gamesa under Article 497 *bis* of the Spanish Companies Law due to technical difficulties that temporarily prevented Iberclear from handling the exercise of this right by the Bidder directly. The fees and expenses in connection with the activities carried out in identifying the ultimate beneficial owners of the Company's shares were assumed by or reimbursed to Siemens Gamesa by the Bidder.

As of the date of this report there are no agreements between Siemens Gamesa and the Bidder in connection with the Offer other than as disclosed above.

4.2 AGREEMENTS BETWEEN SIEMENS GAMESA AND THE DIRECTORS OF THE BIDDER

As at the date of this report, there are no agreements in place between Siemens Gamesa and the directors of the Bidder relating to the Offer.

4.3 AGREEMENTS BETWEEN SIEMENS GAMESA AND THE SHAREHOLDERS OF THE BIDDER

As anticipated in section 3.1 above, on 18 April 2022, Siemens Gamesa entered into a non-disclosure agreement with Siemens Energy to preserve the use and confidentiality of certain information that Siemens Gamesa and Siemens Energy would exchange to evaluate a potential business combination. As of the date of this report there are no agreements between Siemens Gamesa and the shareholders of the Bidder in connection with the Offer other than as disclosed above.

In addition, unrelated to the Offer, Siemens Gamesa and Siemens Energy are a party to a set of agreements that are not linked to the Offer and which relate to the spin-off of Siemens Energy, employee training in Germany, cooperation in the area of purchasing, sale of know-how and services (manpower support). This information is disclosed in greater detail in Siemens Gamesa's consolidated financial statements as of and for the fiscal year ended 30 September 2021.

4.4 AGREEMENTS BETWEEN THE DIRECTORS OF SIEMENS GAMESA AND THE BIDDER, ITS DIRECTORS OR ITS SHAREHOLDERS

The members of the Board of Directors represent that, as at the date of this report, there are no agreements between the directors of Siemens Gamesa and the Bidder, its directors or its shareholders relating to the Offer.

4.5 AGREEMENTS BETWEEN THE SHAREHOLDERS OF SIEMENS GAMESA AND THE BIDDER, ITS DIRECTORS OR ITS SHAREHOLDERS

As at the date of this report, the Board of Directors is not aware of any agreement between the shareholders of Siemens Gamesa and the Bidder, its directors or its shareholders relating to the Offer.

5. SECURITIES OF THE BIDDER HELD DIRECTLY OR INDIRECTLY BY SIEMENS GAMESA, PERSONS WITH WHOM IT IS ACTING IN CONCERT OR ITS DIRECTORS

5.1 SECURITIES OF THE BIDDER HELD BY SIEMENS GAMESA OR PERSONS WITH WHOM IT IS ACTING IN CONCERT

As at the date of this report, Siemens Gamesa does not hold, directly or indirectly or in concert with third parties, securities of the Bidder, SE Management or Siemens Energy, or securities or instruments conferring a right to acquire or subscribe for said securities.

5.2 SECURITIES OF THE BIDDER HELD OR REPRESENTED BY THE DIRECTORS OF SIEMENS GAMESA

As at the date of this report, the directors of Siemens Gamesa do not hold, directly or indirectly or in concert with third parties, securities of the Bidder, SE Management or Siemens Energy, or securities or instruments conferring a right to acquire or subscribe for said securities.

Mr. Miguel Ángel López, Mr. Christian Bruch, Mr. André Clark, Ms. Mariel von Schumann and Ms. Maria Ferraro are proprietary directors appointed at the proposal of Siemens Energy, the Bidder's controlling shareholder. Siemens Energy holds 456,851,883 shares of Siemens Gamesa representing 67.071% of its capital.

Mr. Christian Bruch, Ms. Maria Ferraro and Mr. André Clark have received equity grants under the 2021 and 2022 tranches of the performance-oriented Siemens Energy stock awards plan, which links a substantial portion of their target pay to Siemens Energy's share price as well as to targets for the Siemens Energy's long-term shareholder return, earnings per share and ESG performance.

6. SECURITIES OF SIEMENS GAMESA DIRECTLY OR INDIRECTLY HELD OR REPRESENTED BY MEMBERS OF THE BOARD OF DIRECTORS

As at the date of this report, none of the directors of the Company directly or indirectly hold shares of Siemens Gamesa except for the Chief Executive Officer and Vice-Chairman, Mr. Jochen Eickholt, who holds 850 shares of the Company.

The Chief Executive Officer, Mr. Jochen Eickholt, is also a beneficiary of the Long-Term Incentive Plan for the period from financial years 2021 through 2023 approved by the Company's 2021 General Meeting of Shareholders (the "LTIP"). Mr. Eickholt has been granted 70,846 stock awards under the second cycle of the LTIP, comprising the three-year period from 1 October 2021 to 30 September 2024. The stock awards represent the maximum potential number of shares that the Chief Executive Officer could receive in case of maximum over-achievement of all of the pre-set targets for such second cycle. All of the foregoing is subject to the following limits: (i) the maximum number of shares that may be delivered to the Chief Executive Officer for each cycle of the LTIP is 55,406; and (ii) the value of the shares to be delivered to the Chief Executive Officer under each cycle cannot exceed in any case the higher of the following amounts: (a) three times the target incentive assigned on each cycle of the LTIP, or (b) the result of multiplying by 1.7 the sum of the fixed remuneration in cash, the annual variable remuneration and the target incentive assigned on each cycle of the LTIP.

7. CONFLICTS OF INTEREST OF THE DIRECTORS OF SIEMENS GAMESA AND EXPLANATION OF THEIR NATURE

Proprietary directors Mr. Miguel Ángel López, Mr. Christian Bruch, Mr. André Clark, Ms. Mariel von Schumann and Ms. Maria Ferraro, as well as Mr. Jochen Eickholt, the latter originally appointed as proprietary director of Siemens Gamesa at the proposal of Siemens Energy and subsequently appointed as CEO by the Board of Directors of Siemens Gamesa, have stated they are in a situation of conflict of interests in connection with the Offer as they have been appointed directors at the proposal of Siemens Energy, the Bidder's controlling shareholder, and thus are proprietary directors or, in the case of Mr. Jochen Eickholt, he was classified as such until he was appointed as Chief Executive Officer of Siemens Gamesa by the Board of Directors on 2 February 2022, effective 1 March 2022.

None of the other directors of Siemens Gamesa have stated that they are in a situation of conflict of interest with respect to the Offer, without prejudice to their intention to tender or not their shares of the Company in the Offer.

8. OPINION AND CONSIDERATIONS OF THE BOARD OF DIRECTORS REGARDING THE OFFER

8.1 GENERAL REMARKS

The members of the Board of Directors make a positive assessment regarding the following aspects of the Offer:

- (i) The Offer targets all of the shares comprising the share capital of Siemens Gamesa, excluding the shares already owned by the Siemens Energy Group.
- (ii) The CNMV considers that the Offer Price is sufficiently justified for the purposes of articles 9 and 10 of Royal Decree 1066/2007.
- (iii) The Offer Price will be fully paid in cash.
- (iv) The Offer is not subject to any condition.
- (v) The Offer is issued in a macro-economic context of significant volatility and uncertainty.

8.2 STRATEGIC AND INDUSTRIAL CONSIDERATIONS

In accordance with the information provided in the Prospectus, the Board of Directors makes a positive assessment of the following aspects, intentions and undertakings stated by the Bidder:

- (i) the Bidder intends to maintain the current strategy of Siemens Gamesa within the framework of the global strategy of the Siemens Energy Group to which it already belongs with the adjustments that may be necessary to adapt Siemens Gamesa to rapidly changing macroeconomic and market environments as well as those deriving from the integration.
- (ii) Siemens Energy Global considers that Siemens Gamesa's personnel is one of its main assets and the management of its human resources a fundamental priority to ensure future success and retention of competitive edge. Siemens Energy targets to attract and retain talent in order to ensure that Siemens Gamesa has the appropriate personnel to carry out its activities.
- (iii) The Bidder intends to maximize the opportunities arising from a larger size of the Siemens Energy Group by increasing its current ownership of 67.07% in the Company, thus avoiding unnecessary duplication, in particular by:
 - a. Enhancing the cooperation among Siemens Energy and Siemens Gamesa and their respective subsidiaries in relation to their approach to customers, increasing cross-selling activities and allowing Siemens Gamesa more immediate and efficient access to Siemens Energy's capabilities in the Gas and Power segment (in particular its global customer portfolio) and in Siemens Energy's growing new technologies business.
 - b. Improving efficiency in supplier relations and the unified management of larger purchasing volumes, allowing further cost savings while improving the position of the Siemens Energy Group to cope with supply chain disruptions.
 - c. Enhancing Siemens Gamesa's operational capability (e.g. in the area of support functions, manufacturing, project execution, supply chain management and sales) by further integrating its day-to-day operations with Siemens Energy's processes, capabilities and experience in turning around businesses, which the Bidder believes will contribute to solving the current operational challenges faced by Siemens Gamesa.
 - d. Improving the financial profile of the Siemens Energy Group thanks to the revenue and cost synergies that the Bidder expects to obtain as a result of the implementation of the targeted integration measures and under the unified management of the Siemens Energy Group.
- (iv) the Bidder intends to continue supporting financially the activities of Siemens Gamesa and remains committed to maintaining an investment grade credit rating on a consolidated group level;

The Board of directors also wishes to highlight the following aspects:

- (i) Siemens Energy intends to retain Siemens Gamesa's earnings in the Company in order to support Siemens Gamesa's profitability and growth, and therefore the Bidder does not plan to maintain the dividend distributions carried out until 2020, irrespective of whether the delisting of Siemens Gamesa occurs after the settlement of the Offer.

- (ii) Siemens Energy intends to take Siemens Gamesa private post-completion of the Offer and has announced that it will exercise its squeeze out rights if the relevant thresholds are met, which will result in the automatic delisting of the shares of Siemens Gamesa from the Spanish Stock Exchanges. If the relevant thresholds are not met, but Siemens Energy reaches on the date of the settlement of the Offer a minimum shareholding of 75% of Siemens Gamesa's share capital carrying voting rights, the Bidder will pursue the delisting of Siemens Gamesa's shares from the Spanish Stock Exchanges in reliance of the exemption to make a delisting bid provided for in article 11.d) of Royal Decree 1066/2007.
- (iii) The Bidder indicates that the running of the business may entail changes to the future activities of Siemens Gamesa and the location of its activity centres.
- (iv) The Bidder indicates that it will analyze the working conditions at Siemens Gamesa and will consider alternatives to align the Human Resources policies from Siemens Gamesa and Siemens Energy, something that may trigger changes in the working conditions of Siemens Gamesa employees and management.
- (v) In relation to the maintenance of staff and management positions in Siemens Gamesa and its subsidiaries, the Bidder notes that it contemplates the possibility of making some additional adjustments to the workforce of the Siemens Gamesa Group as part of the integration process referred to in section 4.1 above, building on the adjustments which Siemens Gamesa announced on 29 September 2022 within the framework of the Mistral strategic program.
- (vi) the Bidder intends to streamline the management and governance bodies of Siemens Gamesa.
- (vii) the Bidder does not plan or intend that Siemens Gamesa or any of its subsidiaries issue any securities;

For the avoidance of doubt, in issuing this report, the Board of Directors of Siemens Gamesa has not considered the anticipated value of the potential synergies that the Bidder expects to achieve in the future as further described in the Prospectus. These synergies are buyer-specific and are not part of Siemens Gamesa's standalone intrinsic market value.

8.3 CONSIDERATIONS IN RELATION TO THE OFFER PRICE

As stated in section 3.3 above, the Board of Directors retained Morgan Stanley and KPMG to each provide an opinion on the fairness, from a financial point of view of the Offer Price to be paid to the shareholders of Siemens Gamesa, other than the Bidder or its affiliates or connected or concerned parties, tendering their shares in the Offer.

On 17 November 2022, Morgan Stanley issued its opinion addressed to the Board of Directors and to no-one else in which it concludes that, as at the date of issuing the opinion and based on and subject to the assumptions, limitations and disclosures set forth therein, and which should be read in full, the Offer Price of 18.05 euros per share payable in cash to the shareholders of Siemens Gamesa, other than the Bidder or its affiliates or related or concerned parties, tendering their shares in the Offer, is fair from a financial perspective. In delivering its opinion to the Board of Directors, Morgan Stanley has taken into account the commercial assessments of the Board of Directors as reflected in this Board of Directors report.

Morgan Stanley's opinion letter, issued in the English language, is attached as **Annex 1** hereto and is an essential and integral part hereof. The opinion should be read in full to assess its scope, assumptions and limitations, the information and experience upon which it has been based, the procedures applied, the issues considered, the limitations of the reviews performed, the services provided to the Board of Directors and the conclusions expressed therein. In particular, the opinion is not addressed to and may not be relied upon by any third party including, without limitation, employees, creditors or shareholders of Siemens Gamesa or the Bidder.

On 17 November 2022, KPMG issued its opinion addressed to the Board of Directors and to no-one else in which it concludes that, as at the date of issuing the opinion and based on and subject to the assumptions, limitations and disclosures set forth therein, and which should be read in full, the Offer

Price of 18.05 euros per share payable in cash to the shareholders of Siemens Gamesa, other than the Bidder or its affiliates or related or concerned parties, tendering their shares in the Offer, is fair from a financial perspective. In delivering its opinion to the Board of Directors, KPMG has taken into account the commercial assessments of the Board of Directors as reflected in this Board of Directors report.

The opinion letter of KPMG has been issued in Spanish. In the event of discrepancy between the Spanish version of the opinion and its translation into English, the Spanish version will prevail. KPMG's opinion letter is attached as **Annex 2** hereto and is an essential and integral part hereof. The opinion should be read in full to assess its scope, assumptions and limitations, the information and experience upon which they have been based, the procedures applied, the issues considered, the limitations of the reviews performed, the services provided to the Board of Directors and the conclusions expressed therein. In particular, the opinion is not addressed to and may not be relied upon by any third party including, without limitation, employees, creditors or shareholders of Siemens Gamesa or the Bidder.

Additionally, and as stated in the Prospectus, the Offer Price is within the valuation range resulting from the valuation report issued by PwC as an independent expert. Moreover, the CNMV has confirmed in its resolution authorising the Offer that the Offer Price is justified in accordance with the rules on the equitable price and the valuation criteria established in articles 9 and 10 of Royal Decree 1066/2007, respectively.

8.4 OPINION OF THE BOARD OF DIRECTORS

On the basis of the observations included in this report as well as the information included in the Prospectus, and taking into account the terms and features of the Offer and its impact on the interests of Siemens Gamesa, the Board of Directors issues a favourable opinion on the Offer with the unanimous vote of the independent directors, namely Mr. Rudolf Krämmer, Ms. Gloria Hernández, Mr. Harald von Heynitz and Mr. Francisco Belil.

The remaining directors, namely Mr. Miguel Ángel López, Mr. Christian Bruch, Mr. André Clark, Ms. Mariel von Schumann, Ms. Maria Ferraro and Mr. Jochen Eickholt, adhered to the decision adopted by independent directors in order to form the joint opinion of the Board of Directors.

In any event, it is for each shareholder of Siemens Gamesa to decide whether or not to accept the Offer, in view of factors including their particular circumstances and interests.

9. TREASURY SHARES

Siemens Gamesa holds 320,602 own shares in treasury as at the date of this report, which were purchased to allow the Company to settle any rights vested under its long-term incentive schemes for its executive directors, senior management and selected employees. The Board of Directors notes its intention to settle in cash the rights of participants in its long-term incentive schemes. Accordingly, the Board of Directors states its unanimous decision to accept the Offer with the treasury shares, in line with the opinion expressed by the Board of Directors in relation thereto.

The Board of Directors' decision to tender the treasury shares in the Offer has been adopted following the report issued by the Audit, Compliance and Related Party Transactions Committee, as required under paragraph 3 of article 529 *duovicies* of the Spanish Companies Law, with Ms. Maria Ferraro having recused herself from participating in the discussion and voting of such report.

10. INTENTION OF THE DIRECTORS OF SIEMENS GAMESA REGARDING ACCEPTANCE OF THE OFFER

The only director of Siemens Gamesa who directly or indirectly holds shares of the Company at this time is the Chief Executive Officer and Vice-Chairman, Mr. Jochen Eickholt. Mr. Eickholt has stated that his current intention is to tender his shares in the Offer.

The proprietary directors appointed at the proposal of the Siemens Energy Group state that, as set out in the Prospectus, the Siemens Gamesa's shares held by the Bidder have been blocked and, consequently, the Offer does not target such shares.

11. INFORMATION TO EMPLOYEES

As described in section 3.2 above, Siemens Gamesa has complied with its obligations to provide information to employees established in article 25 of Royal Decree 1066/2007. In particular, on 21 May 2022, the employees' representatives of all the group companies were informed of the announcement of the Offer and were sent the Prior Announcement published by the Bidder. On 7 November 2022, the Prospectus was also made available to all of them.

12. OPINIONS RECEIVED FROM THE LEGAL REPRESENTATIVES OF THE EMPLOYEES

The legal representatives of the employees of the Company belonging to the trade unions holding a majority in Spain (Unión General de Trabajadores and Comisiones Obreras) and the chairpersons of the works councils of the group in Denmark, Germany, the Netherlands and the United Kingdom have submitted to the Board of Directors of Siemens Gamesa before the approval of this report two documents each expressing their respective views and opinions regarding the impact of the Offer in the employment.

In accordance with article 24.2 of Royal Decree 1066/2007 attached hereto as **Annex 3** are complete copies of the documents submitted by the legal representatives of the employees of the Company as aforesaid.

In Zamudio (Bizkaia), on 17 November 2022

* * *

ANNEX 1

FAIRNESS OPINION OF MORGAN STANLEY

Morgan Stanley

17 November 2022

Board of Directors
Siemens Gamesa Renewable Energy S.A.
Parque Tecnológico de Bizkaia
Edificio 222
48170 Zamudio
Bizkaia
Spain

Members of the Board of Directors:

We understand that Siemens Energy AG (“*Siemens Energy*” or “*Buyer*”) has commenced a voluntary tender offer (the “*Offer*”) to acquire all outstanding shares which the Buyer, or its affiliates or related or concerned parties do not already own in Siemens Gamesa Renewable Energy, S.A. (“*SGRE*”, “*Target*” or the “*Company*”) (respectively, the “*Company Shares*” and the “*Transaction*”).

The Terms of the Offer are set out in a tender offer prospectus approved by the Comisión Nacional del Mercado de Valores (“*CNMV*”) on 7 November 2022 and available on, among others, the websites of the CNMV and the Company (the “*Offer Document*”).

Under the terms of the Offer, SGRE’s minority shareholders have been offered €18.05 per share in cash (the “*Consideration*”).

You have asked for our opinion as to whether the Consideration to be received by the holders of the Company Shares set out in the Offer Document is fair from a financial point of view.

For purposes of the opinion set forth herein, we have:

- (a) reviewed certain publicly available financial statements and other business and financial information of the Company (“*Public Information*”);
- (b) reviewed certain internal financial statements and other financial and operating data concerning the Company;
- (c) reviewed certain financial projections prepared by the management of the Company, specifically the Company’s Business Plan approved by the Board of Directors on August 1st, 2022;
- (d) discussed the past and current operations and financial condition and the prospects of the Company with senior executives of the Company;
- (e) reviewed the reported prices and trading activity for the Company Shares;
- (f) compared the financial performance of the Company and the prices and trading activity of the Company Shares with that of certain other publicly-traded companies comparable with the Company and its securities;
- (g) reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

Morgan Stanley

- (h) reviewed, for information purposes only, the Offer Document;
- (i) performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

In forming our opinion, we have also taken into account and relied upon (in each case without independent verification):

- (a) the accuracy and completeness of the Public Information available or supplied or otherwise made available to us by the Company, and formed a substantial basis for this opinion.
- (b) the financial projections, in relation to which we have assumed that such projections, have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company of the future financial performance of the Company.
- (c) that the Transaction will be consummated in accordance with the terms set forth in the Offer Document without any waiver, amendment or delay of any terms or conditions. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Transaction, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Transaction.
- (d) the fact that the Company has taken its own legal, tax, regulatory or actuarial advice. We are financial advisors only and have relied upon, without independent verification, the assessment of the Company and its legal, tax, regulatory or actuarial advisors with respect to legal, tax, regulatory or actuarial matters. Further, for the purpose of our analysis, we have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such appraisals.
- (e) As you know, we are not legal experts, and for purposes of our analysis we have not made any assessment of the status of any outstanding litigation involving the Company and have excluded the effects of any such litigation in our analysis.

We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons, relative to the Consideration to be paid to the holders of the Company Shares in the Transaction.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

We have been engaged by the Company as its financial advisor in connection with the Transaction and Morgan Stanley will receive a fee for our services, a portion of which is contingent upon rendering of this financial opinion. In addition, Morgan Stanley will receive a fee from the Company upon the closing of the Transaction. Morgan Stanley may also seek to provide such services to the Buyer and the Company in the future and expects to receive fees for the rendering of these services. Please note that Morgan Stanley is a global financial services firm engaged in the

Morgan Stanley

securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment management, banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Buyer, the Company or any other company or any currency or commodity that may be involved in this transaction or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Board of Directors of the Company only and may not be used for any other purpose without our prior written consent, except that a complete copy of this letter may be included in its entirety in an appendix to the report which the Board of Directors of the Company is required to approve and publish expressing its views in connection with the Offer pursuant to article 24 of the Royal Decree. **This opinion is not addressed to and may not be relied upon by any third party including, without limitation, employees, creditors or shareholders of the Company and Buyer.** In addition, this opinion does not in any manner address the prices at which the Buyer's Common Stock will trade following consummation of the Transaction and Morgan Stanley expresses no opinion or recommendation as to how the shareholders of the Company should vote or act on any matters in connection with the Transaction.

It is understood that the views set forth in this letter are within the scope of, and provided on and subject to, the engagement letter and the associated letter of indemnity both dated 26 July 2022 between Morgan Stanley and the Company.

We have taken the facts, events and circumstances set forth in this opinion, together with our assumptions and qualifications, into account when determining the meaning of "fairness" for the purposes of this opinion. For the purposes of our opinion, we have not considered the circumstances of individual shareholders.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Consideration to be received by the holders of the Company Shares set out in the Offer Document is fair from a financial point of view.

Yours faithfully,

MORGAN STANLEY & CO. INTERNATIONAL PLC

By:



Name *DominiC Desbiens*
Title **Managing Director**

ANNEX 2
FAIRNESS OPINION OF KPMG



Siemens Gamesa Renewable Energy, S.A.

Fairness Opinion

PRIVATE & CONFIDENTIAL

17 November 2022

Deal Advisory, Corporate Finance

kpmg.es



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Paseo de la Castellana, 259C
28046 Madrid

Tel +34 91 456 35 06
www.kpmg.es

Private and Confidential

17 November 2022

Siemens Gamesa Renewable Energy, S.A.
Parque Tecnológico de Bizkaia
48170 Zamudio
Spain

To the Board of Directors

Dear Sirs,

We are pleased to deliver our Fairness Opinion (hereinafter the "Letter") in relation to our assistance to Siemens Gamesa Renewable Energy, S.A. (hereinafter "Siemens Gamesa", "SGRE", the "Company" or the "Client") in performing the necessary work to issue an opinion as of the date of this Letter as to whether the price offered by Siemens Energy Global GmbH & Co. KG (the "Bidder"), a wholly-owned subsidiary of Siemens Energy AG ("Siemens Energy"), in its tender offer for all of the shares of the Company not already owned by it announced on 21 May 2022 (the "Tender Offer") is fair, from a financial point of view, for the shareholders of the Company other than Siemens Energy.

This Letter has been prepared in accordance with the terms of our proposal for professional services dated on 28 June 2022 (hereinafter "the Engagement Letter") and may be disclosed in the mandatory report to be drawn up and published through the website of the Spanish Stock Exchange Commission (Comisión Nacional del Mercado de Valores - CNMV) (hereinafter the "CNMV") by the Board of Directors of the Company following the approval of the Tender Offer by the CNMV.

Yours faithfully,

[Spanish version duly signed]

José Ignacio Cerrato
Partner
KPMG Asesores, S.L.

Manuel Santillana
Partner
KPMG Asesores, S.L.

Limitation on the distribution and use of this Letter

This Letter, along with all the information contained herein, has been prepared in the context described in the Background section, and therefore may not be used for any other purpose or distributed to third parties without our prior written consent.

This Letter does not constitute a recommendation for the directors of the Company on how they should vote in connection with the drawing up of the mandatory report of the Board of Directors on the Tender Offer or on any other action they should take in relation thereto.

This opinion is not intended to confer any rights (such as to lodge a claim or of any other type) to any employee, creditor, shareholder or other equity holder of the Company or to any third party, nor is it intended that any of the above parties rely on it for any purpose.

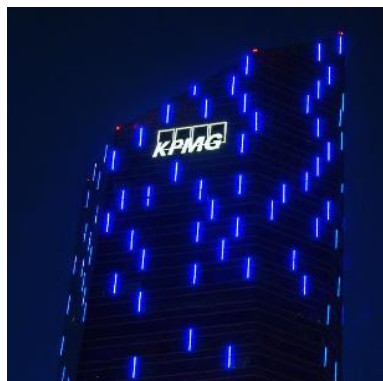
Conflict of interest

Among the activities carried out by KPMG's Corporate Finance department is the valuation of companies and branches of business in connection with merger and acquisition processes and other corporate transactions. KPMG did not have any conflicts of interest in the course of preparing this Letter or executing the underlying work. Our fees were estimated on the basis of the resources required and the experience of our professionals, the nature of the service and the worktime needed to render it. The agreed fees are fixed irrespective of the outcome of the Tender Offer.

KPMG's network of firms did not advise Siemens Gamesa and/or Siemens Energy on the Tender Offer or take part in negotiations regarding the terms of the Tender Offer. Furthermore, the KPMG Corporate Finance team conducting this valuation is not carrying out any work neither for Siemens Gamesa nor for Siemens Energy other than that described above in connection with this process.

Free translation of our letter originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Contents



Background

04

Scope and procedures
of our work

05

Relevant aspects to be
considered when
interpreting the
results of our work

07

Conclusions of our
work

09



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Background

Brief description of SGRE

Siemens Gamesa is a Spanish publicly listed company with registered office at Biscay, Spain. It is a leading supplier of wind power solutions to customers all over the globe. It is the resulting company of the merger on 3 April 2017 of Siemens Wind Power Business with Gamesa.

The core business portfolio of Siemens Gamesa comprises the construction and maintenance of wind turbines for onshore and offshore wind power plants as well as operation and maintenance services. It manufactures wind turbines which are suitable for different wind speeds (low, medium and high wind).

SGRE operates under two reporting segments or cash generating units ("CGU"):

- Wind Turbines: the Wind Turbines segment offers wind turbines for various pitch and speed technologies, in addition to the development, construction and sale of wind farms (Onshore and Offshore); and
- Operation and Maintenance ("O&M"): the Operation and Maintenance segment is responsible for the management, monitoring and maintenance of wind farms.

For the purposes of this Letter, KPMG has organized its analysis according to the following business lines:

- Wind Turbines Onshore: relates to the design, development, manufacturing and installation of onshore turbines.
- Wind Turbines Offshore: covers the design, development, manufacturing and installation of offshore turbines.
- O&M: refers to operations and maintenance services offered to their clients.

Description of the Tender Offer

On 18 May 2022, Siemens Energy confirmed that it was exploring the possibility to launch a tender offer for the shares of Siemens Gamesa and delist the Company from the Spanish stock exchanges.

On 21 May 2022, the Bidder announced a cash tender offer for all of the shares of Siemens Gamesa not already owned by it, detailing the main characteristics of the Tender Offer. The consideration offered by the Bidder is €18.05 per share in cash. The Bidder states in the Prospectus that the Tender Offer is voluntary and the consideration (price per share) has been set freely by the Bidder in accordance with article 13.5 of Royal Decree 1066/2007, of 27 July, on tender offers for securities (the "RD 1066/2007"). However, in the opinion of the Bidder, the consideration may be considered a fair price in accordance with article 9 and is not lower than the one resulting from the application of the valuation methods described in article 10 of RD 1066/2007.

On 1 June 2022, the Bidder submitted the request for authorization of the Tender Offer to the CNMV, together with the accompanying documentation required under RD 1066/2007.

On 16 June 2022, the CNMV admitted for processing the application for authorization of the Tender Offer lodged by the Bidder.

On 7 November 2022, the CNMV announced that it had authorized the Tender Offer and published the explanatory prospectus drafted by the Bidder outlining the terms and conditions of the Tender Offer, together with its schedules, through its website.

On 10 November 2022 SGRE published the "Presentation of fiscal year results 2022" which includes the "Activity report" with the non-audited financial information as of 30 September 2022.

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Scope and procedures of our work (1/2)

The procedures carried out consisted essentially in performing a valuation of the Company applying generally accepted valuation methodologies, taking into consideration the specific characteristics of the sector where the Company operates.

Basis of information

The main bases of information that we have gathered and analyzed to carry out our work have been as follows:

- General information regarding the Company's activity, operations and strategy.
- Audited annual consolidated accounts for fiscal years 2015 to 2021.
- Non-audited financial statements and Interim Management's Report as of, and for the six-month period ending on, 31 March 2022.
- Activity report for the third quarter of fiscal year 2022 including financial information as of, and for the nine-month period ending on 30 June 2022.
- Presentation of fiscal year results 2022 which includes the Activity report with the non-audited financial information as of 30 September 2022.
- The Company's budget for fiscal year 2023 and business plan for fiscal years 2024 through 2027 based on market information and the inputs provided by the Management including a first, second, third and fourth freeze, including the financial projections and details of the main assumptions used to prepare them (hereinafter collectively the "Business Plan"). The Business Plan was approved on 1 August 2022 by the Board of Directors.
- Detailed reports presenting the rationale behind the Monthly Procurement.
- Reports summarizing the origin of Onerous Projects and Non-Conforming Costs and preventive actions to avoid future NCCs.
- Documents showing the "Mistral measures" to be implemented in the following years.
- Documentation of the planned refinancing strategy.
- Headcount and personnel information provided by the Company.
- Other valuation materials such as Goodwill Impairment Tests.
- Q&A sessions with the Company for further understanding of their business lines and current situation.
- Numerous Broker Reports dated within the last year provided by the Client and external sources.
- Financial performance of a selection of Comparable Companies gathered from external sources.
- Financial information of a selection of Comparable Transactions gathered from external sources.
- Information concerning other issues relating to the management, organization, market and development of the business, which were of interest to us in the performance of our work.
- Independent valuation report on the shares of Siemens Gamesa Renewable Energy S.A. in the context of the Tender Offer launched by Siemens Energy by PricewaterhouseCoopers Asesores de Negocios, S.L. dated 25 October 2022.

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Scope and procedures of our work (2/2)

Procedures performed

The main procedures applied in order to meet the objectives of our work have been as follows:

- Collection, analysis and review of the information described before in order to obtain a deep understanding of Siemens Gamesa, the wind power manufacturing industry and the markets and countries where the Company operates.
- KPMG has used the financial projections of Siemens Gamesa comprised in the Business Plan provided by the Company, based both on the historical performance of the business and in the vision of the Management regarding the future evolution of the Company.

In this context, the scope of work included in the Engagement Letter includes an independent assessment conducted by KPMG's industry team of the Business Plan, of the reasonability of the hypothesis and assumptions used, qualified review of its preparation process, and the elaboration of an adjusted business plan (hereinafter "KPMG's Business Plan"), with the adjustments we have deemed appropriate as a result of the comprehensive review of the Business Plan, over our value conclusion has been relied upon.

- Determination of the valuation parameters of the selected methodologies and application of:
 - Sum of the Parts of the reporting segments (Wind Turbines and Operation & Maintenance) applying the Discounted Cash Flow methodology ("DCF"). The DCF has been applied considering (i) the Business Plan, (ii) KPMG's Business Plan, and (iii) the Analyst Consensus Estimates;

The Sum of the Parts analysis comprises the breakdown and individual valuation of the Company's business units. Furthermore, the individual valuations of each of the business units were used in conjunction with a series of corporate adjustments as the basis for the Sum of the Parts valuation.

- Weighted average share price of the shares during the six-month period immediately preceding the price-sensitive information filing announcing the proposed takeover bid as of 21 May 2022;
 - Market multiples: based on comparable listed companies and comparable transactions;
 - Broker Reports target price analysis, and
 - Precedent transactions involving Siemens Gamesa shares.
- Sensitivity analysis of the DCF results to changes in key valuation parameters.
 - Conversations held with the Management to gather other information considered necessary for our work.
 - Conversations held with the Monitoring Committee of the Board of Directors of SGRE, comprising all directors classified as independent directors.
 - Receipt of a letter signed by Siemens Gamesa in which it confirms that, to the best of the Company's knowledge and belief, (i) we have been provided all the available information requested by us on the information request list shared with the Management and we have not been omitted any information that is relevant to carry out our work, (ii) the Business Plan approved by the Board of Directors of the Company has been prepared in accordance with the best estimates and judgment of the present circumstances and their expected development, and (iii) the Company is not aware of any relevant errors or omissions in the data and information furnished to us.
 - Analysis and conclusions based on the results obtained and preparation of our independent valuation report.

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Relevant aspects to be considered when interpreting the results of our work (1/2)

The following relevant aspects are of special interest for an appropriate interpretation of the results of our work:

- The appropriate basis of valuation for this Letter is Fair Value. This is defined by International Valuation Standards (IVS) as *“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”*.
- A substantial part of our work and therefore of its outcome, has been based on the information included in the Business Plan, market intelligence and inputs provided by SGRE’s Management. The utilization of the financial projections included in the Business Plan by KPMG does not constitute an examination, nor compilation thereof. Given the uncertainties inherent in any information concerning future events, some of these assumptions may not materialize as initially defined and unforeseen events may occur. Accordingly, the results estimated for the projected period could differ in the future as defined.
- Our work has been based on economic and financial audited and non-audited information provided by the Client’s Management and other information obtained from public sources. In performing our work, we have assumed that the information received is complete, accurate and reflects the Management’s best estimates of the Company’s business prospects as at the valuation date (17 November 2022 based on the most recent non-audited financial information as of 30 September 2022) from an operating and financial perspective. As a result, KPMG does not assert or warrant, either expressly or implicitly, the veracity, certainty and integrity of the information included in this document and furnished by the Management for the performance of our work. We do not accept any responsibility regarding this information, which is the responsibility of the Management.
- Our opinion is based on prevailing market, economic and other conditions at the valuation date. The information used in the valuation, including the forecasted financial information, has been provided to us by SGRE’s Management, and we have relied upon it. Such information and underlying assumptions represent the Management’s best estimates of the Company’s likely performance as at the date of their preparation, considering the current period of significant volatility in global financial markets and widespread macro-economic uncertainty. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and on the Company specifically, could impact upon value in the future, either positively or negatively.
- If the information shown in this Letter or the assumptions on which this Letter is based are subsequently proven to be incorrect or incomplete, this could have the effect of changing the valuation conclusions set out in this Letter and these changes could be material. We are under no obligation to amend our Letter for any subsequent event or new information.
- In light of the emergence and spread of the COVID-19 pandemic and the recent military invasion of Ukraine by the Russian Federation there exists uncertainty, which may be persistent, regarding the implications of this situation for companies, in particular, in terms of disruptions in global supply chains, energy price hikes, raw material price increases, expectations on the evolution of underlying inflation with an impact on exchange rates, difficulties in accessing financing markets or rises in interest rates. As a result of these events, our work may not have reliably identified or quantified the impact of all these uncertainties and implications.
- Our work did not include the issuance of an opinion as to the reasonableness or integrity of the assumptions used to prepare the Business Plan of the Company, and its use thereof does not constitute an opinion or assurance from KPMG regarding the reasonableness, fairness or integrity of the underlying assumptions or of the financial projections.

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Relevant aspects to be considered when interpreting the results of our work (2/2)

- The scope of our work does not include any independent review, statutory audit, due diligence, revision or evaluation of the accounting situation, fiscal, legal, labour or environmental analysis of the Company, and therefore it does not constitute a legal auditing or any kind of opinion or confirmation regarding the financial statements of the Company.
- Likewise, our work has been based, among others, on public information sources. The cross-check of this information with external evidence has not been part of our work. However, we have cross-checked, when applicable, that the information obtained is consistent with other data we have obtained and / or may have been provided to us during the course of our work.
- Our work has been based on the activity report for the fourth quarter of fiscal year 2022, including the non-audited financial information as of 30 September 2022, as well as certain additional information that we have obtained from both public and private sources.
- Our opinion is based on financial and market conditions and other circumstances existing as at the date of this Letter. Even should subsequent events affect this Letter, KPMG has no obligation to update, modify or reaffirm it and expressly rejects any responsibility to do so.
- Certain figures may have been rounded for presentation purposes.

Free translation of our letter originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.



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Conclusions of our work

In accordance with the scope of our work and subject to the relevant aspects to be considered in the interpretation of the results thereof, we are of the opinion that, as of the date hereof, the consideration (€18.05 per share of SGRE) offered by the Bidder in its Tender Offer is fair, from a financial point of view, to SGRE's shareholders other than Siemens Energy.

Free translation of our letter originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.



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ANNEX 3


OPINIONS OF THE LEGAL REPRESENTATIVES OF THE EMPLOYEES OF THE COMPANY

**OPINION REPORT OF THE EMPLOYEE REPRESENTATION OF THE LEGAL ENTITIES OF SIEMENS GAMESA
RENEWABLE ENERGY AT NETHERLANDS, UK, DENMARK AND GERMANY IN RELATION TO TH
VOLUNTARY TAKEOVER BID MADE SIEMENS ENERGY GLOBAL GmbH & Co KG**

In accordance with the provisions of article 134.4 of the consolidated text of the Spanish Securities Market Law and article 24.1 of the Royal Decree 1066/2007 on the regulation of takeover bids for securities, the works councils of SGRE in the Netherlands, United Kingdom, Denmark and Germany are of the opinion that the takeover bid by Siemens Energy Global GmbH & Co. KG in their earlier announcement dated May 21st, 2022 and further detailed in the prospectus filed November 2nd, 2022, can contribute to a healthy financial position for SGRE, can enable opportunities for the employees to develop themselves in a wider area within the renewable business as well as in the business areas of Siemens Energy and can potentially allow for extended training offers to the employees. Furthermore, we expect a positive impact on employment due to the joined development of new and/or even more competitive products in the medium future. That's why we can support the decision to proceed positively.

November 16, 2022

John Bennett
SGRE UK WC Employee Rep.
SE EWC member



Horst Hakelberg
SGRE DE WC Chair
SE EWC member
SE Supervisory Board member




on behalf of:
Voort, Edwin van der
SGRE NE WC Chair
Ad van der Minnen

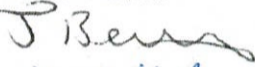
Betina Moeller Digital signing of Betina Moeller SGRE
DK Employee Representative
SGRE DK Employee DNI: on-Betina Moeller SGRE DK
Employee Representative, 01-DK
Representative email: Betina.Moeller@siemensgamesa.com
Date: 2022.11.17 15:25:15 +0100
Jens Joergen Nico Soerensen
SGRE DK WC Chair
SGRE EWC member

**INFORME DE OPINION EMITIDO POR LA REPRESENTACION LEGAL DE LOS TRABAJADORES DE LAS
ENTIDADES LEGALES DE SIEMENS GAMESA RENEWABLE ENERGY DE PAISES BAJOS, UK, DINAMARCA Y
ALEMANIA EN RELACION CON LA OPA VOLUNTARIA FORMULADA POR SIEMENS ENERGY GLOBAL
GmbH & Co KG**

De conformidad con lo dispuesto en el artículo 134.4 del texto refundido de la Ley del Mercado de Valores y en el artículo 24.1 del Real Decreto 1066/2007 sobre regulación de las ofertas públicas de adquisición de valores, los comités de empresa de SGRE en Holanda, Reino Unido, Dinamarca y Alemania consideran que la oferta pública de adquisición de Siemens Energy Global GmbH & Co. KG en su anterior anuncio de 21 de mayo de 2022 y detallado en el prospecto presentado el 2 de noviembre de 2022, puede contribuir a una posición financiera saludable para SGRE, puede permitir oportunidades para que los empleados se desarrollen en un área más amplia dentro del negocio de las energías renovables, así como en las áreas de negocio de Siemens Energy y puede permitir potencialmente ampliar las ofertas de formación a los empleados. Además, esperamos un impacto positivo en el empleo debido al desarrollo conjunto de productos nuevos y/o aún más competitivos en un futuro medio. Por eso podemos apoyar la decisión de proceder positivamente.

16 de Noviembre de 2022

John Bennett
SGRE UK WC Employee Rep.
SE EWC member



Horst Hakelberg
SGRE DE WC Chair
SE EWC member
SE Supervisory Board member



on behalf of
Voort, Edwin van der
SGRE NE WC Chair
Ad van den Minnen

Betina Moeller
SGRE DK Employee
Representative

Digital e-signature of Betina Moeller SGRE
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Opinion of the legal employee representatives from the UGT Fica and CCOO Industria trade union branches of SIEMENS GAMESA RENEWABLE ENERGY S.A. and its subsidiaries in Spain (SIEMENS GAMESA) regarding the voluntary takeover bid for all shares of SIEMENS GAMESA made by SIEMENS ENERGY GLOBAL GMB & CO. KG (a company of the SIEMENS ENERGY Group) and approved by the CNMV on 7 November 2022.

In Madrid, on 15 November 2022.

The legal employee representatives from the UGT Fica and CCOO Industria trade union branches of SIEMENS GAMESA issue this report pursuant to Articles 24.2 and 25 of Royal Decree 1066/2017, of 27 July, on public takeover bids, regarding the effects that we believe the takeover bid for all shares of SIEMENS GAMESA made by SIEMENS ENERGY GLOBAL GMB & CO. KG. and approved by the National Securities Market Commission (CNMV) on 7 November 2022 will have on employment and working conditions.

The company has provided the legal employee representatives with access to the Prospectus and its annexes via the CNMV's website by means of communication dated 7 November 2022.

Without examining the corporate aspects of the aforementioned transaction or its hypothetical synergies, advantages for market positioning or benefits in terms of the interests of the Group and of its shareholders, and confining ourselves to the effects on the Group's industrial sites and the potential impact on SIEMENS GAMESA's workforce in Spain, we believe that the prospectus includes content that is highly concerning for SIEMENS GAMESA's workforce.

Background:

Before describing the aforementioned content, we consider it appropriate to provide an overview of certain aspects of SIEMENS AG's business in Spain.

In 2016, SIEMENS AG announced a merger transaction involving the renewable energy businesses of SIEMENS WIND POWER and GAMESA. The transaction was executed on 3 April 2017 and SIEMENS GAMESA was created as an IBEX-35 listed company.

We should not forget that in order to proceed with this transaction, SIEMENS AG requested an exemption from the requirement to make a takeover bid pursuant to Article 8(g) of Royal Decree 1066/2007, of 27 July.

At that time, the CNMV waived the requirement for SIEMENS AG to launch a takeover bid and approved the merger in accordance with that regulation, stating that the **industrial purpose of the transaction** had been proven:

"In the event of a merger, the obligation to make a takeover bid to the shareholders of target companies or entities shall be waived when (...) it can be proven that the primary

aim of the transaction is not to take control of the resulting company but an industrial or corporate purpose" (Art 8(g) of Royal Decree 1066/2007)

SIEMENS GAMESA was created with a shareholding structure in which SIEMENS AG held 59% of the shares, IBERDROLA (historically the majority shareholder of GAMESA) held 8% of the shares and minority shareholders held the remaining 33%.

Nor should we forget that in order for the transaction to be approved, SIEMENS AG and IBERDROLA entered into a private shareholders' agreement with a series of agreements that provided stability and protection to the minority shareholders as well as to the employees, keeping the Group's corporate headquarters and those of the Onshore business in Spain.

Shortly after this transaction, however, in 2018, there was a collective dismissal process (*Expediente de Regulación de Empleo*) for the corporate offices in Spain, affecting 226 employees, in addition to the closure of the industrial site in Miranda de Ebro (Castile and León), which affected 133 employees. All of this happened despite the substantial profits achieved by the company in that year.

In 2020, SIEMENS purchased IBERDROLA's shareholding in SIEMENS GAMESA for 1.1 billion euros. As a result, SIEMENS AG obtained direct control over a shareholding of 67% and the private shareholders' agreement between those companies was terminated.

The closure of SIEMENS GAMESA's industrial site in Aoiz (Navarre) was announced in June 2020, with 239 employees affected.

The flood of industrial closures continued at the start of 2021 with the closure of the Somozas (Galicia) and Cuenca (Castilla-La Mancha) sites, affecting 266 employees, with the relocation of wind turbine blade manufacturing sites to Portugal completed following the acquisition of the German company Senvion Deutschland, a transaction that included its Vagos blade manufacturing plant in Portugal.

The Vagos site allegedly offered lower labour costs. However, this cost benefit has not proven to be real over time. Nor has the improvement in production quality: the site has become a financial black hole and faces quality problems. The economic resources being dedicated to repairs are causing long-term harm to the accounts of the Services unit, which has witnessed the Vagos project eliminate one of its most profitable lines of business in one fell swoop, with nothing capable of replacing it.

In 2022, SIEMENS GAMESA has already announced the sale of its wind farm development and sale unit to the British energy company SSE for 580 million euros, affecting 60 employees.

Approximately 4,800 employees remain in Spain, distributed across corporate offices linked to R&D+i, the gearbox unit of GAMESA ENERGY TRANSMISSION with industrial sites in the Basque Country, Castile and León and Galicia, the electricity unit of GAMESA ELECTRIC with industrial sites in Valencia, Cantabria and Madrid, as well as at the Soria industrial site.

The sale of the wind farm development and sale unit to the British energy company SSE for €613 million was made effective on 1 September 2022. This involves SIEMENS GAMESA offloading one of the business units that showed significant revenues on the income statement as well as securing workload for the industrial sites, with the definitive loss of the capacity to generate a market that this business unit offered. In addition to

this sale, the company has also lost its most valuable asset, which are those 60 employees with expertise in the sector and in wind farm development and production, a strategically important area in the current context of energy dependency that we are suffering in the European Union owing to the Russian armed conflict.

On 29 September 2022, SIEMENS GAMESA announced a global restructuring affecting 2,900 employees, with 475 employees affected in Spain. The largest impact affects skilled R&D+i positions in the company's corporate offices in Navarre, Biscay and Madrid. According to the information shared by SIEMENS GAMESA, Spain would be among the countries most heavily affected by job losses, with a total global impact of 16%.

The Group is also considering selling the GAMESA ENERGY TRANSMISSION units with industrial sites in Lerma, Burgos, Sigüeiro, Ateasu and Mungia, as well as the GAMESA ELECTRIC unit with industrial sites in Madrid, Valencia and Reinosa. This would affect more than 1,000 employees and entail the disappearance of almost all of the company's industrial presence in Spain, with only a single remaining industrial site in Agreda.

Following the pandemic, the major crisis affecting certain essential industry supplies and the global increase in logistical costs has proven that supply chain dependence on Asian manufacturing is extremely harmful in terms of security of production. Since then, leading industrial operators across practically all markets and countries have started a vertical integration process for their supply chains so as to secure the coverage of a portion of their needs, and hence of their production. At this very moment, SIEMENS GAMESA's management appears to be focusing on outsourcing the manufacturing of the essential components of our wind turbines. This is manufacturing that takes place at plants that have proven over decades that they offer greater outstanding efficiency, quality and knowhow than even external suppliers.

In our view, the facts show that SIEMENS has seized complete control of the company over several phases, without the need to make a takeover bid that would have been mandatory, thanks to the waiver granted to it by the CNMV. Despite this, it has been closing practically all industrial sites in Spain. The industrial interest it cited in order to secure the CNMV's approval for the merger to proceed without having to launch a takeover bid has been proven not to exist.

Undertakings regarding safeguarding of employment

The Annex to Royal Decree 1066/2007, of 27 July, on public takeover bids includes the mandatory contents of the bid prospectus. Specifically, chapter IV of the Annex is entitled "**Purpose of the Transaction**" and states that the bidder must provide information including the following:

- Strategic plans and intentions regarding future activities and the location of the places of business of the target company and its group for a minimum period of 12 months.
- Strategic plans and intentions regarding the safeguarding of the jobs of the employees and management of the target company and its group, including any material change to conditions of employment, for a minimum period of 12 months.
- Plans regarding the use or disposal of the target company's assets.

In this regard and confining ourselves to Chapter 4 of the Prospectus for the voluntary takeover bid for shares of SIEMENS GAMESA RENEWABLE ENERGY, S.A., we wish to make the following **observations**.

- 1. First, we believe that the conditions of employment set out in sections 4.2, 4.3 and 4.4 of the Prospectus are clearly insufficient, if not non-existent, since they provide no guarantee as to protection of employment or conditions of employment for the workforce of SIEMENS GAMESA.**

Applicable employment law does not establish any requirements regarding the content of guarantee of employment for companies acquired in this type of procedure, and there are certainly no minimum or maximum time periods.

Nonetheless, we believe that it is customary to agree on employment-related aspects with the employees' representatives before the prospectus is prepared. This has not happened in this case, despite the concerns we have expressed in repeated communications addressed to the company's management and to the CNMV.

SIEMENS GAMESA's workforce and the trade union representatives signing this report have solid reasons to express concerns regarding the intentions of the SIEMENS ENERGY Group in terms of employment and working conditions for the workforce.

As a preliminary issue, we would observe that it is striking how meticulously the other sections of the Prospectus have been drafted in comparison to the deliberate ambiguity of the part of the Prospectus that should theoretically address the safeguarding of employment and conditions of employment for the workforce.

Specifically in this section, the Prospectus appears to have been drafted with the plain and simple intention of complying with the provisions of the Annex to Royal Decree 1066/2007, of 27 July, which establishes the essential contents of the prospectus. However, it says nothing about the undertakings to be assumed.

We particularly wish to stress the following issues, which are the focal points of our concern as employee representatives:

- ✓ **With respect to the strategic plans and intentions regarding SIEMENS GAMESA's future activities and the location of its places of business**, section 4.2 of the Prospectus is drafted with a degree of imprecision but appears to make it clear that the company will proceed with a large number of dismissals in the short term. This section refers to the execution and development of the Mistral programme, which was presented as being intended to "*maximise the company's potential and permit profitable long-term growth through a profitable and efficient structure*", affecting 2,900 jobs worldwide. This programme would affect 475 jobs in Spain. The aims of this programme include to "*overhaul the current operating model, making the organisation simpler and leaner*".

The company goes further, moreover, in admitting the following:

"Measures undertaken as part of the "Mistral" programme might result in changes to future activities deriving from the potential divestments of non-strategic assets or the relocation and/or closure of places of business, as SIEMENS GAMESA adjusts its manufacturing footprint and capacity to market demands".

All the above and the running of the business may entail changes to the future activities of SIEMENS GAMESA and the location of its places of business".

A mere intention is undoubtedly somewhat loose by nature. However, the first reasonable interpretation is that to describe the future of SIEMENS GAMESA's employees and industrial activity in Spain as being linked to the "evolution of the market" is tantamount to saying nothing, since it is subject to the interpretation and intentions of the bidder at any particular time: taking into account the evolution of the group since 2017, this is concerning to say the least.

The company makes a less veiled reference to the "possibility" of closing and/or relocating certain sites, although it does not venture to provide any specific details regarding these intentions.

The continuity of SIEMENS GAMESA's employment and industrial structure in Spain is hence called very much into question by these statements, since these hypothetical changes to the Group's activities, closures, relocations and so on are exposed to corporate will more than they are to any euphemistic concept of market conditions.

This curt statement translates purely and simply into that: the absence of any undertaking from the Group regarding the safeguarding of its industrial activity and its employment on their current terms.

There is hence no undertaking or information that would enable us even to guess at whether there is an intention to safeguard SIEMENS GAMESA's industrial sites in Spain or the employment that is linked to them.

We believe that this situation, which is of great significance to the workforce, would have been largely neutralised if the bidder had expressed an unequivocal commitment to safeguard employment, or at least an intention to do so.

- ✓ **With regard to the strategic plans and intentions regarding the employees and management of SIEMENS GAMESA and its group**, we are obliged to repeat ourselves.

Although the company states that SIEMENS GAMESA's employees are one of its main assets and that their management is a fundamental priority to secure future success and a competitive edge, no undertaking to safeguard the current conditions of employment of the workforce can be drawn from the contents of the Prospectus, and certainly not from its previous actions.

Quite to the contrary, it states that "*SIEMENS ENERGY will analyse the conditions of employment at SIEMENS GAMESA and will consider alternatives to align the HR policies of SIEMENS GAMESA and SIEMENS ENERGY, something that may trigger changes in the conditions of employment of SIEMENS GAMESA employees and management*".

In other words, the company is fairly obviously implying that its intentions include making changes to the conditions of employment of SIEMENS GAMESA's employees.

Finally in this regard, section 4.3 of the Prospectus states the following:

"In relation to the safeguarding of staff and management positions at SIEMENS GAMESA and its subsidiaries, the bidder notes that it contemplates the possibility of making some additional adjustments to the workforce of the SIEMENS GAMESA Group, building on the adjustments which SIEMENS GAMESA announced on 29 September 2022 within the framework of the Mistral strategic programme...as a result of which around 2,900 positions will be impacted globally".

This clearly reflects the Group's lack of intention to safeguard employment at SIEMENS GAMESA. Even when the scope of the collective dismissal process proposed for a significant proportion of SIEMENS GAMESA's workforce has not yet been finalised, the threat is being raised of further potential adjustments to the workforce.

What is transmitted is a genuine intention to change or replace part (whether a small or a large part, we do not know) of the Group's current activities, with an impact on employment that will have to be added to the already-serious impact of the Group's actions since 2017, without offering even minimal information regarding the scale of intended action. This leads us to very seriously question the "intentions" that seem to be implied by the contents of the Prospectus, in addition to showing little or no concern for the rights and safeguards of SIEMENS GAMESA's employees.

- ✓ **As regards the plans for use or distribution of SIEMENS GAMESA's assets**, the Prospectus vaguely refers to SIEMENS ENERGY's intention to keep SIEMENS GAMESA's asset portfolio in the long term, *"although SIEMENS GAMESA's portfolio assessment as part of the Mistral strategic programme might result in potential disposals of certain assets that are considered to be non-strategic"*.

Once more, the SIEMENS Group offers no undertaking to maintain its industrial structure in Spain.

The dismantling of SIEMENS GAMESA's industrial structure will be consummated by the potential sale or disposal of part of its assets, in addition to those previously disposed of in recent years. It will also accentuate the harmful effects for the Group and its employees, causing a material change to the Group's structure in Spain.

2. Therefore, **from the public documentation to which this party has had access, SIEMENS GAMESA's trade union representatives state that they consider the conditions presented in terms of employment, conditions of employment and safeguarding of continuity of employment for SIEMENS GAMESA's workforce as a whole to be unfavourable.** The representatives ask SIEMENS GAMESA's board of directors to transmit this observation to management or to the legally appropriate persons to ensure that the aforementioned Prospectus introduces clear, unequivocal and sufficient written safeguards regarding the employment and conditions of employment of SIEMENS GAMESA's employees.

Proposals for inclusion in the Prospectus for the takeover bid for shares of SIEMENS GAMESA made by SIEMENS ENERGY GLOBAL

The trade union representatives of SIEMENS GAMESA's workforce believe that the following proposals should be included:

1. In the area of employment, takeover bids are not subject to a regulatory framework that is intended to protect employee rights. This means that there is a need for trade union representatives to assert these rights to counterbalance the safeguards that are granted to the companies involved in these processes.

The employment-related safeguards that should be included in the takeover process should be applied throughout Spain and to all SIEMENS GAMESA's employees. These safeguards should be upheld for as long as possible. A reasonable period would be five years.

We list the safeguards that we believe should be included below:

- ✓ Not to terminate employment contracts on economic, technical, organisational or production-related grounds pursuant to Articles 51 and 52(c) of the Spanish Workers' Statute, unless agreed with the employee representatives.
 - ✓ Not to pursue business outsourcing processes that entail a reduction in the volume of employment.
 - ✓ To maintain SIEMENS GAMESA's current worksites and not to apply geographic mobility, including not pursuing processes involving the relocation of activities.
 - ✓ To maintain the conditions of employment of all SIEMENS GAMESA's employees until it is possible to establish other conditions by means of collective bargaining agreement.
2. Inclusion of a detailed industrial plan and of expected synergies, stating both main aims and implementation timeframes.

The main aim of trade union representation should be to protect the working conditions of the workforce. We hence believe that following the takeover bid, SIEMENS GAMESA has strong business and growth prospects based on its own forecasts in addition to the commitment and productivity of the workforce. This should be reflected by a clear undertaking from the bidder to maintain all jobs and working conditions for the workforce as a whole.

As we have not seen the needs of SIEMENS GAMESA's employees covered or guarantees provided, we hence express our rejection of the takeover transaction that has been notified to us, on the grounds that SIEMENS GAMESA has disregarded the efforts and good performance of the workforce over the course of years, and has not provided the slightest legal certainty regarding the safeguarding of their current jobs and working conditions.

This rejection is subject to the bidder's acceptance of the contents of the section entitled ***Proposals for inclusion in the Prospectus for the takeover bid for shares of SIEMENS GAMESA made by SIEMENS ENERGY GLOBAL.***

We finally wish to note that any restructuring or change to working conditions must be negotiated by the parties, and that it is an obligation for SIEMENS GAMESA to disclose any measure that it intends to take and which affects the workforce or their working conditions.

We state the above for the relevant purposes and ask that this expert report be attached to the report of SIEMENS GAMESA's board of directors in accordance with the provisions of Article 24.2 of Royal Decree 1066/2017, of 27 July, on public takeover bids.

Regards,

THE LEGAL EMPLOYEE REPRESENTATIVES FROM THE UGT FICA AND CCOO INDUSTRIA TRADE UNION BRANCHES OF SIEMENS GAMESA IN SPAIN.