

Report: item two on the agenda

Report issued by the Board of Directors of “**Siemens Gamesa Renewable Energy, S.A.**” in relation to the proposed resolution under item two on the agenda regarding the reduction of the share capital

At its meeting of 28 April 2023, the Board of Directors, in accordance with the provisions of sections 286 and 318 of the Corporate Enterprises Act, approved this report in connection with the proposed resolution regarding the reduction of the share capital under item two of the agenda for the 2023 Extraordinary General Meeting of Shareholders of “Siemens Gamesa Renewable Energy, S.A.”, which will be held in Madrid, at 10:00 hours, on 12 June 2023, on first call, or on 13 June 2023, at the same place and time, on second call.

1. Object of the Report

This report is issued by the Board of Directors of Siemens Gamesa Renewable Energy, S.A. (the “**Company**”), in accordance with the provisions of sections 286 and 318 of the Corporate Enterprises Act, to establish the grounds for the proposal relative to the reduction of the share capital of the Company by the amount of EUR 2,559,974.92, charged against unrestricted reserves, being fixed at EUR 113,234,400.02, through the redemption of 15,058,676 shares with a par value of EUR 0.17 each, owned by the shareholders of the Company other than Siemens Energy Global GmbH & Co. KG (“**SE KG**”), in order to return the value of the contributions to the aforementioned shareholders (the “**Reduction of Share Capital**”).

2. Background

On 7 November 2022, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the “**CNMV**”) authorized the voluntary takeover bid over the shares of the Company launched by SE KG, a company wholly owned by Siemens Energy AG (“**Siemens Energy**”) (the “**Offer**”). As a result of the Offer, Siemens Energy reached a holding of 92.72% of the voting capital of the Company.

In addition, as acknowledged in the Offer, SE KG, in order to facilitate the sale of the shares of the Company owned by the shareholders that did not accept the Offer, launched on 20 December 2022 a sustained purchase order on the remaining shares in circulation, which started on 23 December 2022 and ended on 7 February 2023 at market close.

On the other hand, in accordance with the resolution adopted by the Extraordinary General Meeting of Shareholders held on 25 January 2023 under item three on the agenda, the Company filed with the CNMV the request to delist all the shares representing the share capital of the Company upon expiration of the aforementioned sustained purchase order. The delisting of the shares took place on 14 February 2023.

By virtue of the above, at the time of this report, Siemens Energy holds, through SE KG, 97.79% of the share capital of the Company.

3. Purpose and grounds for the proposals

In view of the high percentage of share capital owned by SE KG, the Board of Directors understands that the proposed resolution to be submitted for the approval of the Extraordinary General Meeting of Shareholders is based on the convenience of facilitating the transfer of their shares to those shareholders who did not accept the Offer or did not sell during the sustained purchase order.

In this regard, the Reduction of Share Capital constitutes an additional mechanism aimed at mitigating the loss of liquidity suffered by the minority shareholders, caused by the delisting of the shares of the Company.

Likewise, the Board of Directors considers that the Reduction of Share Capital enables the reorganisation of the Company, as a way of reaching its full integration in the group of companies to which it belongs. Indeed, the Reduction of Share Capital will improve the organizational and financial efficiency of the Company and its group, by means of saving the infrastructure costs that come with the operation of a company with multiple shareholders other than the majority shareholder.

4. Characteristics of the reduction of share capital and the proposed amendment of the By-laws

The Reduction of Share Capital will be carried out through the redemption of 15,058,676 shares with a par value of EUR 0.17 each, owned by the shareholders of the Company other than SE KG, with the purpose of returning the contributions of the aforementioned shareholders.

The Reduction of Share Capital will be charged against unrestricted reserves. Furthermore, a restricted reserve of redeemed capital will be established for an amount equal to the par value of the redeemed shares, which may only be used subject to the same requirements as those established for the reduction of share capital, pursuant to the provisions of section 335 c) of the Corporate Enterprises Act. For this reason, pursuant to the said section, the creditors will not have the right to oppose as set forth in section 334 of the Corporate Enterprises Act.

In light of the above, it is proposed to amend Article 7 of the By-laws to establish the new share capital figure and the number of shares resulting from the Reduction of Share Capital.

It is also proposed to delegate to the management body of the Company, with express powers of substitution, all powers required to proceed with the execution of this resolution, being able to determine those cases which have not been expressly established in this resolution or that are a consequence of it.

5. Compensation of shareholders

The Reduction of Share Capital will be carried out through the redemption of the shares owned by the shareholders of the Company other than SE KG. In this sense, the Board of Directors considers appropriate proposing to the Extraordinary General Meeting of Shareholders fixing a price per redeemed share of EUR 18.05, so that the aggregate amount to be paid to the shareholders whose shares are redeemed by the Company amounts to EUR 271,809,101.80.

Fixing a price per share seeks to preserve the integrity of the right of property of the shareholders, which cannot be diminished by the Reduction of Share Capital. In addition, the proposed price matches the price at which the Offer was made, which was justified by means of a valuation report issued on 25 October 2022 by PricewaterhouseCoopers Asesores de Negocios, S.L., as independent expert, pursuant to the provisions of sections 10.5 and 10.6 of Royal Decree 1066/2007, of 27 June, regarding the takeover bids regime.

The Board of Directors understands that the above also ensures a non-discriminatory treatment among minority shareholders, which will be treated equally as those who attended the Offer or sold their shares during the period of validity of the sustained purchase order. The Board of Directors also considers that, since the date of issue of the valuation report of PricewaterhouseCoopers Asesores de Negocios, S.L., no circumstances have arisen that would justify an increase in value.

Moreover, the proposed resolution contains the procedure for the payment of the redemption value, as well as the payment by the Company of the expenses and taxes and other costs in connection with the approved redemption, without prejudice to the delegation to the Board of Directors, with express powers of substitution, the powers to specify said procedure for payment.

6. Separate vote

Pursuant to the provisions of sections 293 and 329 of the Corporate Enterprises Act, the Reduction of Share Capital will be submitted to a separate vote carried out by: (i) the shareholders in attendance that are not affected by it (i.e. SE KG); and (ii) the shareholders in attendance which are affected by the Reduction of Share Capital (i.e. shareholders of the Company different from SE KG).

As a consequence, the approval of the resolution regarding the Reduction of Share Capital is conditioned upon obtaining the legally required majorities to consider the resolution approved in the separate votes provided for under item two of the agenda (specifically, under the subsections two and three).

7. Proposed resolution to be submitted to the Extraordinary General Meeting of Shareholders

The proposed resolution submitted to the shareholders for approval at the Extraordinary General Meeting of Shareholders reads as follows:

Item two on the agenda: “Examination and approval, if appropriate, of the reduction of the share capital of Siemens Gamesa Renewable Energy, Sociedad Anónima.”

- 2.1. **Examination and approval, if appropriate, of the reduction of the share capital of Siemens Gamesa Renewable Energy, Sociedad Anónima, by the amount of EUR 2,559,974.92, charged against unrestricted reserves, being fixed at EUR 113,234,400.02, through the redemption of 15,058,676 shares with a par value of EUR 0.17, owned by the shareholders of Siemens Gamesa Renewable Energy, Sociedad Anónima other than Siemens Energy Global GmbH & Co. KG, in order to return the value of the contributions to the aforementioned shareholders, at a value of EUR 18.05 per share. Amendment of Article 7 of the By-laws. Establishment of the restricted reserve provided for by section 335.c) of the Corporate Enterprises Act.**
- 2.2. **Separate vote by Siemens Energy Global GmbH & Co. KG for the resolution regarding the reduction of share capital submitted for the approval of the Extraordinary General Meeting of Shareholders under item two on the agenda, pursuant to sections 293 and 329 of the Corporate Enterprises Act.**
- 2.3. **Separate vote by the shareholders other than Siemens Energy Global GmbH & Co. KG affected by the resolution regarding the reduction of share capital submitted for the approval of the Extraordinary General Meeting of Shareholders under item two on the agenda, pursuant to sections 293 and 329 of the Corporate Enterprises Act.**

2.1. Examination and approval, if appropriate, of the reduction of the share capital of Siemens Gamesa Renewable Energy, Sociedad Anónima, by the amount of EUR 2,559,974.92, charged against unrestricted reserves, being fixed at EUR 113,234,400.02, through the redemption of 15,058,676 shares with a par value of EUR 0.17, owned by the shareholders of Siemens Gamesa Renewable Energy, Sociedad Anónima other than Siemens Energy Global GmbH & Co. KG, in order to return the value of the contributions to the aforementioned shareholders, at a value of EUR 18.05 per share. Amendment of Article 7 of the By-laws. Establishment of the restricted reserve provided for by section 335.c) of the Corporate Enterprises Act.

To approve the reduction of the share capital of Siemens Gamesa Renewable Energy, Sociedad Anónima (the "**Company**") by the amount of EUR 2,559,974.92, charged against unrestricted reserves, being fixed at EUR 113,234,400.02, through the redemption of 15,058,676 shares with a par value of EUR 0.17 each, owned by the shareholders of the Company other than Siemens Energy Global GmbH & Co. KG, in order to return the value of the contributions to the aforementioned shareholders (the "**Reduction of Share Capital**"). The approval of this resolution regarding the Reduction of Share Capital is conditioned upon obtaining the legally required majorities to consider the resolution approved in the separate votes provided for in items 2.2 and 2.3.

Likewise, in relation to the Reduction of Share Capital, the following resolutions are adopted:

(a) To agree on a price per redemption share of EUR 18.05, so that the aggregate amount to be paid by the Company to the shareholders whose shares are redeemed is EUR 271,809,101.80.

(b) To establish the necessary payment procedure to carry out the Reduction of Share Capital and the resulting redemption of the affected shares in the following terms:

i. Upon the adoption of this resolution by the Extraordinary General Meeting of Shareholders (including, for these purposes, the separate votes provided for in items 2.2 and 2.3 below), Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**") shall proceed to freeze all of the shares representing the entire capital of the Company at the request of the Company.

ii. The payment to each shareholder will be made within a maximum period of 30 business days from the publication of the announcement of the Reduction of Share Capital in the Official Gazette of the Commercial Registry and on the corporate webpage of the Company (www.siemensgamesa.com), by bank transfer through the entities participating in Iberclear that certify that they have the redeemed shares registered in their respective registries. Banco Santander, S.A. shall act as agent entity (the "**Agent Bank**"), following the operating rules of Iberclear.

If for any reason it is not possible to follow such general payment procedure with respect to certain shares, the redemption value will be made available to the shareholders of the Company during the legally required period at the offices of the Agent Bank, for its payment against proof of ownership of the redeemed shares.

iii. In the event that any of the shares subject to redemption are seized, pledged, in usufruct or subject to any other charges or encumbrances that appear in the accounting records of the entities participating in Iberclear, the corresponding amounts shall be paid to the person entitled to receive the redemption value of such shares in accordance with the accounting record.

iv. The Company will pay on behalf of each shareholder 1% of the redemption value received by each shareholder to satisfy the Transfer Tax- Corporate Transactions (Operaciones Societarias). Likewise, as a consequence of the redemption of the shares, the Company will pay the commissions charged by the entities participating in Iberclear in accordance with their tariffs.

v. The text of the announcement to be published shall contain the necessary information so that the shareholders whose shares are affected by the Reduction of Share Capital can exercise their right to obtain the redemption value of their shares.

- (c) *To amend, as a consequence of the resolutions adopted under this agenda item, Article 7 of the By-laws of the Company, which will be worded as follows:*

“Article 7.- Share capital

The share capital is ONE HUNDRED AND THIRTEEN MILLION TWO HUNDRED AND THIRTY FOUR THOUSAND AND FOUR HUNDRED EUROS AND TWO CENTS (€ 113,234,400.02), represented by SIX HUNDRED AND SIXTY SIX MILLION EIGHTY FOUR THOUSAND SEVEN HUNDRED AND SIX (666,084,706) shares of seventeen euro cents (€ 0.17) nominal value each, numbered consecutively from 1 to 666,084,706, comprising a single class and series, which are fully subscribed and paid.”

- (d) *To allocate a reserve for redeemed capital for an amount equal to the par value of the redeemed shares, which may only be used subject to the same requirements as those established for the reduction of share capital, pursuant to the provisions of section 335 c) of the Corporate Enterprises Act.*

Consequently, in accordance with the aforementioned provision, the creditors of the Company will not have the right of opposition referred to in section 334 of the Corporate Enterprises Act in relation to the Reduction of Share Capital.

- (e) *To delegate to the management body of the Company, with express powers of substitution, all powers required to proceed with the execution of this resolution, being able to determine those cases which have not been expressly established in this resolution or that are a consequence of it. In particular, and by way of illustration only, the following powers are delegated to the management body, with express power of substitution:*
- i. to specify the procedure for the payment of the redemption value, costs, taxes and other expenses born by the Company in connection with the approved redemption, to make any requests or communications to Iberclear and its participating entities in order to proceed with the payment of the redemption value and to modify the accounting records of the shares of the Company, as well as to specify the operational or procedural aspects;*
 - ii. to carry out the necessary acts and formalities in order to obtain the agreements and authorizations required for the full effectiveness of this resolution;*
 - iii. to grant the corresponding deed (escritura pública) for the reduction of the share capital and any other public or private documents that may be necessary or convenient to execute and to carry out the Reduction of Share Capital;*
 - iv. to declare the single ownership of the Company; and*
 - v. to carry out as many actions as may be necessary or advisable to execute and formalize the Reduction of Share Capital and the foregoing resolutions before any public or private, Spanish or foreign, entities and agencies, including those of declaration, supplement or correction of defects or omissions that could prevent or hinder the full effectiveness of the foregoing resolutions.*

2.2. Separate vote by Siemens Energy Global GmbH & Co. KG for the resolution regarding the reduction of share capital submitted for the approval of the Extraordinary General Meeting of Shareholders under item two on the agenda, pursuant to sections 293 and 329 of the Corporate Enterprises Act.

To approve the resolution regarding the reduction of the share capital of Siemens Gamesa Renewable Energy, S.A. (the “**Company**”) submitted for the approval of the Extraordinary General Meeting of Shareholders under item 2.1 on the agenda, by means of a separate vote of the shareholders in attendance and not affected by it (i.e. Siemens Energy Global GmbH & Co. KG) pursuant to sections 293 and 329 of the Corporate Enterprises Act.

2.3. Separate vote by the shareholders other than Siemens Energy Global GmbH & Co. KG affected by the resolution regarding the reduction of share capital submitted for the approval of the Extraordinary General Meeting of Shareholders under item two on the agenda, pursuant to sections 293 and 329 of the Corporate Enterprises Act.

To approve the resolution regarding the reduction of the share capital of Siemens Gamesa Renewable Energy, S.A. (the “**Company**”) submitted for the approval of the Extraordinary General Meeting of Shareholders under item 2.1 on the agenda, by means of a separate vote of the shareholders affected and in attendance (i.e. shareholders other than Siemens Energy Global GmbH & Co. KG which hold shares of the Company), pursuant to sections 293 and 329 of the Corporate Enterprises Act.

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