Activity Report

Third quarter FY 2021

April-June 2021 Results

July 30, 2021

Contents

Introduction

Siemens Gamesa[1] reported €2,704m in revenue at Group level (+12% y/y) in the third quarter of fiscal 2021 (Q3 21), with an EBIT margin pre PPA and before integration and restructuring costs of -5.6%.

The EBIT margin pre PPA and before integration and restructuring costs in Q3 21 was affected by the impact of the raw material prices increase and by the higher than expected ramp-up cost for the Siemens Gamesa 5.X platform on the profitability of the WTG backlog. The persisting pandemic contributed to exacerbating the impact of both factors, particularly in projects in Brazil for delivery in fiscal year 2022 (FY22) and fiscal year 2023 (FY23), that resulted in a provision being booked for onerous contracts in the amount of c. €229m (equivalent to c. 8.5% of revenue in the quarter).

It is important to note that, apart from incorporating cost inflation into commercial contracts, the company is working on additional mechanisms, such as indexation clauses to steel towers in Onshore, to reduce risks due to volatility and high prices on commodities. It also continues to implement cost savings and technology improvement programs to reduce the impact of higher input costs on the cost of energy of the various platforms.

Revenue in the first nine months of 2021 (9M 21) amounted to €7,335m (+11% y/y) and EBIT pre PPA and before integration and restructuring costs totaled €81m, i.e. an EBIT margin of 1.1%. This performance is impacted by the provision for onerous contracts in Q3 21 that offsets the strength of the Service activity and of project execution in the Offshore market.

Including integration and restructuring costs (€31m in Q3 21) and the impact of the PPA on amortization of intangibles (€56m in Q3 21), reported EBIT in Q3 21 amounted to -€238m and net income attributable to SGRE equity-holders amounted to -€314m. Reported EBIT in 9M 21 amounted to -€243m, including the impact of integration and restructuring costs (€149m) and of the PPA on amortization of intangibles (€175m). Reported net income in 9M 21 was -€368m.

Siemens Gamesa's net financial debt position stood at -€838m at the end of June 2021. The increase in net debt in 9M 21 was due partly to an increase in working capital, which ended the period at -€1,621m, equivalent to -16% of revenue in the last twelve months, and also to an increase in lease liabilities[2]. As of June 30, 2021, Siemens Gamesa had c. €4,450m in funding lines, against which it had drawn c. €1,400m, and total liquidity amounted to c. €4,450m (including cash on the balance sheet of c. €1,400m at the end of 9M 21). Siemens Gamesa maintains an investment grade credit rating: BBB from S&P (stable outlook) and BBB- from Fitch (negative outlook).

As for commercial activity, the Group ended Q3 21 with a backlog of €32,561m, i.e. €1,100m more than in June 2020, having signed orders worth €1,520m in Q3 21 and €11,864m in the last twelve months. Order intake in Q3 21 and its trend year-on-year reflect the volatility of the Offshore market, which affected order intake in both WTG and Service.

Following the company performance in 9M 21, and particularly due to the provisions for onerous contracts impact, Siemens Gamesa has decided to adjust its guidance for fiscal year 2021 (FY21) as follows:

- Group revenue for FY21 is expected to be at the low end of the range communicated together with the results of the second quarter on April 30, 2021 (€10.2bn-€10.5bn).
- Group EBIT margin pre PPA and before I&R costs for FY21 is adjusted to a range of -1% to 0%.

With regard to ESG, it should be highlighted that during Q3 21, Siemens Gamesa:

- Became the first wind turbine manufacturer to receive an ESG rating from S&P, obtaining a score of 84/100.
- Ranked #1 in its sector (Oil & Gas – Alternative Energy – Renewable Energy Equipment) according to FTSE Russell, with a score of 4.6/5, and has been part of the FTSE4Good indexes since 2005.

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

[2]Lease liabilities amounted to €822m as of June 30, 2021. Lease liabilities amounted to €611m as of September 30, 2020.

Main consolidated figures Q3 21

- Revenue: €2,704m (+12% y/y)
- EBIT pre PPA and before integration and restructuring costs[3]: -€151m (N.A)
- Net income: -€314m (N.A.)
- Net cash/(Net financial debt – NFD)[4]: -€838m
- MWe sold: 3,079 MWe (+17% y/y)
- Order book: €32,561m (+3% y/y)
- Firm order intake in Q3: €1,520m (-72% y/y)
- Firm order intake in the last twelve months: €11,864m (-22% y/y)
- WTG firm order intake in Q3: 1,376 MW (-66% y/y)
- WTG firm order intake in the last twelve months: 11,169 MW (-13% y/y)
- Installed fleet: 114,590 MW
- Fleet under maintenance: 77,745 MW

Markets and orders

Renewable energy projects, including wind, continue to evidence considerable resilience against the persisting backdrop of the pandemic. The steady increase in decarbonization commitments and the role of renewable energy in economic recovery programs have had a very positive impact on demand prospects in the short, medium and long term. In this context, Siemens Gamesa signed orders worth €11,864m in the last twelve months, i.e. 1.2 times revenue in the period, and it ended Q3 21 with a backlog worth €32,561m (+3% y/y), €1,100m more than in Q3 20.

At the end of Q3 21, Service, which is more profitable, accounted for 50% of the backlog (i.e. €16,238m), having increased by 7% year-on-year. The WTG order book is split into €9,404m Offshore and €6,919m Onshore, both stable with respect to June 2020.

Figure 1: Order book at 06.30.21 (€m)

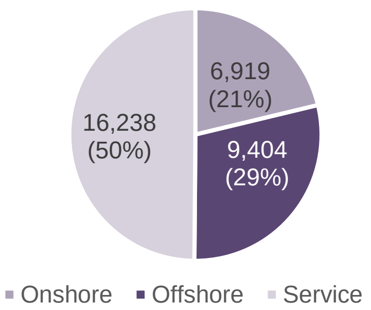
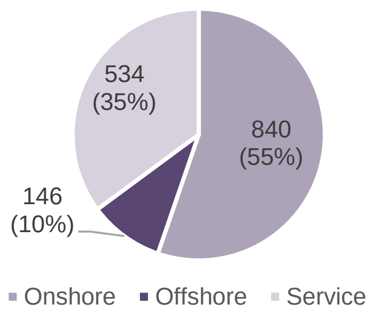


Figure 2: Order intake Q3 21 (€m)



The Group's order intake amounted to €1,520m in Q3 21. This volume of orders is primarily a reflection of volatility in the Offshore market, where orders for both WTG and Service were heavily concentrated in the second quarter of this fiscal year (Q2 21), and also to the postponement to Q4 21 of the signature of the first contracts for the SG 3.4-145 platform in India, where 623 MW were signed in early July.

The backlog as of June 2021 allows a 100% coverage of the sales guidance announced for the year of c. €10,200m.

[3]EBIT pre PPA and before integration and restructuring costs excludes integration and restructuring costs in the amount of €31m and the impact on fair value amortization of intangible assets as a result of the PPA (Purchase Price Allocation) in the amount of €56m.

[4]Cash / (Net financial debt) is defined as cash and cash equivalents less long-term and short-term financial debt, including lease liabilities. The Siemens Gamesa Group adopted IFRS 16 effective October 1, 2019. Lease liabilities amounted to €822m as of June 30, 2021: €212m short-term and €610m long-term.

Onshore commercial activity ended the quarter with 1,352 MW in new orders (+13% y/y) worth €840m (-4% y/y), i.e. a book-to-bill ratio of 0.6. The growth in order volume (MW) in year-on-year terms reflects the negative impact of the pandemic on Onshore commercial activity in Q3 20. Onshore order intake in the last twelve months totaled 8,538 MW worth €5,538m, i.e. a book-to-bill ratio of 1.1.

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

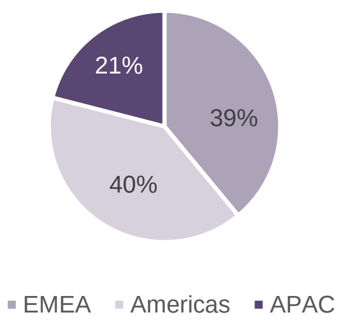
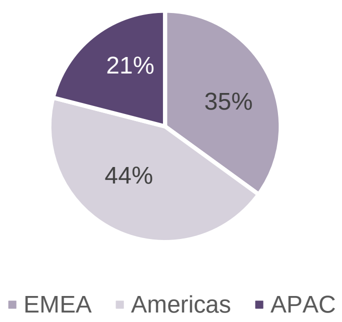


Figure 4: Onshore order intake (€m) Q3 21 (%)



Of the 45 countries that contributed new Onshore orders in the last twelve months, those that made the largest contribution, in monetary terms, were: US (19%), Sweden (13%) and Brazil (11%). They were followed by Canada and Spain (8% each). The main sources of new orders in Q3 21 were: Canada (34%), Japan (21%), Spain (14%), Philippines (10%) and Sweden and US (7% each).

Orders signed in Q3 21 corresponding to new platforms with a capacity of 4 MW or higher accounted for 67%. Orders taken for the Siemens Gamesa 5.X platform since its launch total 2.7 GW.

The standard volatility in the Offshore market resulted in order intake amounting to €146m in Q3 21, following the signature of the Sofia deal (1,400 MW) in Q2 21, ahead of schedule. Offshore order intake in the last twelve months amounted to €3,259m, i.e. a book-to-bill ratio of 1.0.

Siemens Gamesa continues to work very closely with customers to prepare for the large volume of auctions expected in 2021 (17 GW projected in the next six months in the Offshore market) and subsequent years, given Offshore wind's role as the top energy source for attaining the decarbonization targets.

In Q3 21, Siemens Gamesa landed a preferred supply agreement in Taiwan: Hai Long 2B (232 MW) and Hai Long 3 (512 MW). These wind farms, and the Hai Long A (300 MW) wind farm, will be equipped with the SG 14-222 DD turbine. As of June 30, 2021, the conditional backlog amounted to 7.8 GW.

The Offshore market's volatility also affected order intake in Service in Q3 21, which achieved orders worth €534m in the quarter, a book-to-bill ratio of 1.0.

Service order intake in the last twelve months amounted to €3,068m, i.e. a book-to-bill ratio of 1.6.

Table 1: Order intake (€m)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
WTG	3,158	1,424	4,227	1,776	1,776	4,258	986
Onshore	1,611	1,350	872	1,698	1,619	1,381	840
Offshore	1,547	74	3,355	78	157	2,877	146
Service	1,470	779	1,115	787	505	1,242	534
Group	**4,628**	**2,203**	**5,342**	**2,564**	**2,281**	**5,500**	**1,520**

The average selling price in Q3 21 was negatively impacted by smaller project scopes, with more sales of reduced scope projects in the Americas and APAC, by the dilution caused by the increase in average platform capacity, and by a moderate currency effect. In contrast, it was affected positively by the country contribution in the EMEA and APAC regions and by an increase in prices in like-for-like terms.

In Q3 21, Siemens Gamesa continued to pass through cost inflation into its contracts and began to introduce tools to achieve a more balanced risk profile with regard to commodity prices. Those tools include clauses providing indexation to commodity prices (mainly steel tower), that begin to be incorporated in offers presented for the Onshore market.

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

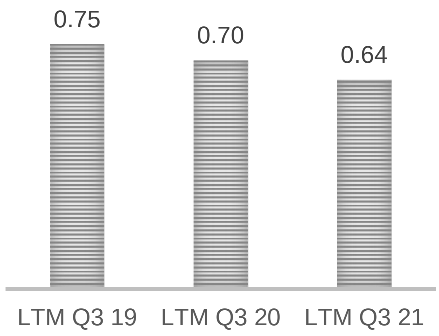
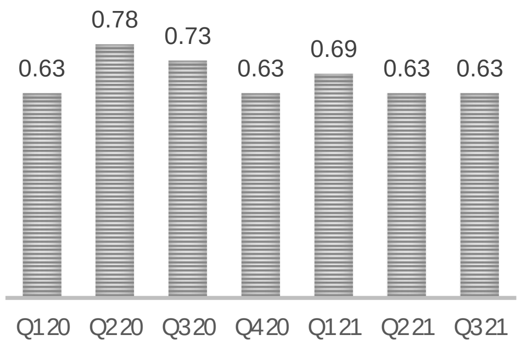


Figure 6: Average selling price - Onshore order intake (€m/MW)



Key financial performance metrics

The table below shows the main financial aggregates for the third quarter (April-June) of fiscal year 2021 (Q3 21) and fiscal year 2020 (Q3 20), and the changes between periods. It also shows the key figures for the first nine months of fiscal year 2021 (9M 21) and fiscal year 2020 (9M 20), and the changes year-on-year.

Table 2: Key financial performance metrics

€m	Q3 20	Q3 21	Change y/y	9M 20	9M 21	Change y/y
Group revenue	2,411	2,704	+12.1%	6,615	7,335	+10.9%
WTG	1,947	2,179	+11.9%	5,390	5,980	+10.9%
Service	464	525	+13.2%	1,226	1,355	+10.6%
WTG volume (MWe)	2,627	3,079	+17.2%	6,742	8,214	+21.8%
Onshore	1,876	2,404	+28.2%	5,271	6,075	+15.2%
Offshore	751	675	-10.2%	1,471	2,139	+45.4%
EBIT pre PPA and before I&R costs	-161	-151	N.A.	-264	81	N.A.
EBIT margin pre PPA and before I&R costs	-6.7%	-5.6%	+1.1 p.p.	-4.0%	1.1%	+5.1 p.p.
WTG EBIT margin pre PPA and before I&R costs	-13.2%	-12.0%	+1.2 p.p.	-9.9%	-3.6%	+6.3 p.p.
Service EBIT margin pre PPA and before I&R costs	20.6%	21.0%	+0.4 p.p.	22.1%	22.1%	+0.0 p.p.
PPA amortization[1]	68	56	-17.1%	203	175	-13.6%
Integration and restructuring costs	243	31	-87.3%	352	149	-57.7%
Reported EBIT	-472	-238	N.A.	-819	-243	N.A.
Net income attributable to SGRE shareholders	-466	-314	N.A.	-805	-368	N.A.
Net income per share attributable to SGRE shareholders[2]	-0.69	-0.46	N.A.	-1.19	-0.54	N.A.
Capex	151	163	+12	352	452	+100
Capex/revenue (%)	6.3%	6.0%	-0.2 p.p.	5.3%	6.2%	+0.8 p.p.
Working capital (WC)	-1,498	-1,621	-122	-1,498	-1,621	-122
Working capital/revenue LTM (%)	-15.7%	-15.9%	-0.2 p.p.	-15.7%	-15.9%	-0.2 p.p.
Net (debt)/cash[3]	-90	-838	-748	-90	-838	-748
Net (debt)/EBITDA LTM	-0.94	-2.25	-1.31	-0.94	-2.25	-1.31

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period. Q3 20: 679,517,513; Q3 21: 680,067,397; 9M 20: 679,516,874; 9M 21: 679,853,425.
3. Lease liabilities amounted to €606m as of June 30, 2020 and €822m as of June 30, 2021.

Group revenue totaled €2,704m, 12% more than in Q3 20. Revenue growth was supported by the three markets, particularly Onshore, where sales rebounded 16% with respect to Q3 20, and Service, where they rose 13% year-on-year. Revenue amounted to €7,335m (+11%) in the first nine months, boosted by Offshore (+23% y/y) and Service (+11% y/y).

EBIT pre PPA and before integration and restructuring costs amounted to -€151m in Q3 21, equivalent to an EBIT margin of -5.6% (-6.7% in Q3 20). The main impact on EBIT pre PPA and before integration and restructuring costs corresponds to the c. €229m provision for onerous contracts. That provision arose upon reassessment of the profitability of the WTG order book in the light of two main developments:

- The sharp increase of raw material prices.
- The higher than expected ramp-up costs for the Siemens Gamesa 5.X platform.

The impact of these elements has been exacerbated by the pandemic, especially in countries like Brazil where the company faces supply chain shortfalls and execution related bottlenecks.

Year-on-year performance, beyond the impact of the provision for onerous contracts in Q3 21, and of the cost overruns in the execution of Onshore projects in Northern Europe, the slowdown in India and the pandemic in Q3 20, reflects:

(-) The composition and the scope of Onshore projects and the price reduction incorporated into the Offshore and Service backlog.

(+) Productivity improvements as a result of the LEAP program, which more than offset the effect of project composition and scope and the price reduction.

EBIT pre PPA and before integration and restructuring costs amounted to €81mn in 9M 21, i.e. a margin of 1.1% on revenue (-4.0% in 9M 20).

The impact of PPA on amortization of intangible assets was €56m in Q3 21 (€175m in 9M 21), while integration and restructuring (I&R) costs amounted to €31m in the same period (€149m in 9M 21). Integration and restructuring costs in Q3 21 included c. €3m (c. €10m in 9M 21) relating to the integration of Senvion, including Vagos.

Reported EBIT, including the impact of the PPA on amortization of intangibles and of integration and restructuring costs, amounted to -€238m in Q3 21 (-€472m in Q3 20), and to -€243m in 9M 21 (-€819m in 9M 20).

Net financial expenses amounted to €9m in Q3 21 (€11m in Q3 20), while the tax expense was €71m (corporate tax income of €19m in Q3 20). Net financial expenses amounted to €32m in 9M 21 (€43m in 9M 20), while the tax expense was €98m (corporate tax income of €60m in 9M 20).

As a result, the Group reported a net income of -€314m in Q3 21 (-€466m in Q3 20), including the PPA impact on amortization and the integration and restructuring costs, both net of taxes totaling €62m in Q3 21 (€230m in Q3 20). The net income per share for equity-holders of Siemens Gamesa amounted to -€0.46 (-€0.69 in Q3 20). The net income in 9M 21 was -€368m (-€805m in 9M 20), and the net income per share for equity-holders of Siemens Gamesa was -€0.54 (-€1.19 in 9M 20).

Working capital stood at -€1,621m in Q3 21, equivalent to -16% of LTM revenue. The €351m increase since the end of fiscal year 2020 (FY20) is the result of an increase in net contract assets deriving from planning for the year and of a lower down payment entry related to lower order intake in the quarter, and also of an increase in other current assets. The Group continues with its policy of managing assets to maintain an optimal level of working capital.

Table 3: Working capital (€m)

Working capital (€m)	Q1 20	Q2 20	Q3 20	Q4 20	Oct. 1, 20[2]	Q1 21	Q2 21	Q3 21	Change y/y
Accounts receivable	1,108	1,073	1,211	1,141	1,143	1,152	1,058	1,162	-50
Inventories	2,071	2,115	2,064	1,820	1,820	1,718	1,886	1,901	-163
Contract assets	1,801	1,808	1,715	1,538	1,538	1,517	1,464	1,657	-58
Other current assets[1]	578	466	584	398	398	467	449	553	-31
Accounts payable	-2,471	-2,544	-2,781	-2,964	-2,964	-2,393	-2,531	-2,904	-123
Contract liabilities	-3,193	-3,101	-3,362	-3,148	-3,171	-3,393	-3,237	-3,209	+152
Other current liabilities	-833	-682	-929	-761	-735	-767	-728	-780	+149
Working capital (WC)	**-939**	**-865**	**-1,498**	**-1,976**	**-1,971**	**-1,699**	**-1,639**	**-1,621**	**-122**
Change q/q	-106[1]	+74	-633	-477		+277[2]	+59	+19	
Working capital/revenue LTM	**-9.4%**	**-8.8%**	**-15.7%**	**-20.8%**	**-20.8%**	**-17.4%**	**-16.5%**	**-15.9%**	**-0.2 p.p.**

1. The application of IFRS 16 modified the beginning balance of the "Other current assets" account by €10m: from €461m at the end of fiscal year 2019 (FY19) to €451m at the beginning of FY20. Working capital at the beginning of FY20 amounted to -€843m, €10m less than at the end of FY19. Considering the impact of IFRS 16, working capital decreased by €95m in the first quarter of FY20.
2. For the purposes of comparison, after adjusting the beginning balance (Purchase Price Allocation, PPA, of the business combinations with Senvion in accordance with IFRS 3). Including that adjustment, working capital declined by €273m in Q1 21.

Capital expenditure amounted to €163m in Q3 21 (€452m in 9M 21). Investment was concentrated in developing new Onshore and Offshore products, in tooling and equipment, and in the Le Havre nacelle and blade plant. More than half of capital expenditure in 9M 21 was concentrated in Offshore in order to cater for demand growth in the coming years.

The net debt position has increased by €790m[5] since the beginning of the year, to a total of -€838m at the end of Q3 21, as a result of the trend in working capital and the higher interest-bearing debt associated with lease liabilities. The company maintains a sound financial position, with access to c. €4,450m in committed credit lines, bringing the liquidity position to c. €4,450m considering cash on the balance sheet (c. €1,400m).

WTG

Table 4: WTG (€m)

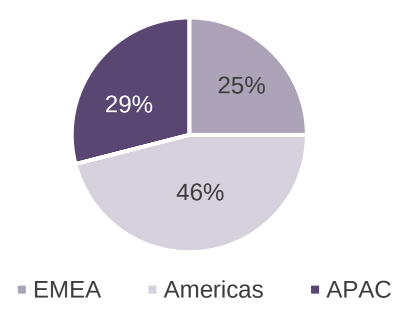
€m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Change y/y
Revenue	1,634	1,808	1,947	2,325	1,899	1,902	2,179	+11.9%
Onshore	1,116	1,149	1,143	1,499	1,061	1,154	1,328	+16.2%
Offshore	518	660	805	826	838	748	851	+5.8%
Volume (MWe)	1,932	2,183	2,627	3,226	2,478	2,657	3,079	+17.2%
Onshore	1,747	1,649	1,876	2,433	1,744	1,927	2,404	+28.2%
Offshore	185	534	751	793	734	730	675	-10.2%
EBIT pre PPA and before I&R costs	-224	-54	-256	-99	18	25	-261	N.A.
EBIT margin pre PPA and before I&R costs	-13.7%	-3.0%	-13.2%	-4.3%	1.0%	1.3%	-12.0%	+1.2 p.p.

Revenue in the WTG division in Q3 21 amounted to €2,179m, 12% more than in Q3 20, driven mainly by growth in Onshore sales (+16% y/y), where, as anticipated in the first half of fiscal year 2021 (H1 21), activity is concentrated in the second half of the year. This concentration is due partly to the persistence of the pandemic.

Onshore revenue (+16% y/y) underperformed manufacturing volume growth (+28% y/y) in Q3 21 mainly because of the negative impact of the geographic mix, as APAC made a larger contribution to sales in the period, and of depreciation against the euro of currencies in which the company operates.

The main sources of Onshore sales (MWe) in Q3 21 were US (32% of the total), Vietnam (18%) and Brazil (8%).

Figure 7: WTG ON sales (MWe) Q3 21 (%)



Offshore revenue growth (+6% y/y) was supported by the increase in installation business, with c. 1,200 MW installed in Q3 21, i.e. more than double the figure of Q3 20 (c. 500 MW), while manufacturing activity volume (MWe) declined (-10% y/y) as planned. The installation, commissioning and delivery business achieved excellent performance with the Kriegers Flak wind farm (c. 600 MW), being completed successfully, safely and ahead of schedule, despite the logistical challenges that the COVID-19 has brought.

EBIT pre PPA and before integration and restructuring costs amounted to -€261m, equivalent to an EBIT margin of -12.0% (-13.2% in Q3 20). Despite strong performance in the Offshore market and productivity improvements from the LEAP program, WTG EBIT was affected by the impact of the raw material prices increase and by the higher than expected ramp-up costs for the Siemens Gamesa 5.X platform on the profitability of the order book, with the result that a provision for onerous contracts of c. €229m was booked.

[5] Net financial debt as of June 30, 2021: -€838m, including €822m in lease liabilities. Net financial debt as of September 30, 2020: -€49m, including €611m in lease liabilities.

WTG revenue in 9M 21 amounted to €5,980m (+11% y/y), supported particularly by Offshore growth, where revenue rose 23% y/y to €2,438m. EBIT pre PPA and before integration and restructuring costs amounted to -€218m in 9M 21, equivalent to a margin of -3.6%.

Operation and Maintenance Service

Table 5: Operation and maintenance (€m)

€m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Change y/y
Revenue	366	395	464	543	396	434	525	+13.2%
EBIT pre PPA and before I&R costs	88	87	96	130	102	86	110	+15.2%
EBIT margin pre PPA and before I&R costs	24.1%	21.9%	20.6%	24.0%	25.9%	19.9%	21.0%	+0.4 p.p.
Fleet under maintenance (MW)	63,544	71,476	72,099	74,240	75,493	77,101	77,745	+7.8%

Service revenue increased by 13% with respect to Q3 20, to €525m, while revenue in 9M 21 totaled €1,355m (+11% y/y).

The fleet under maintenance stands at 77.7 GW, 8% more than in Q3 20.The Offshore fleet under maintenance, 11.9 GW, expanded by 6% y/y, while the Onshore fleet expanded by 8% y/y to 65.8 GW. The fleet of third-party technologies under maintenance totaled 11.1 GW[6] as of June 30, 2021.

The contract renewal rate was 78% in Q3 21, up from 70% in FY20.

EBIT pre PPA and before integration and restructuring costs amounted to €110m in Q3 21, equivalent to an EBIT margin of 21.0%, in line with expectations for Service for FY21. In 9M 21, Service EBIT amounted to €299m, i.e. a margin of 22.1%.

[6]The fleet of third-party technology under maintenance has been redefined to exclude the technology of companies acquired before the merger between Siemens Wind Power and Gamesa Corporación Tecnológica (MADE, Bonus and Adwen).

Sustainability

Table 6: Main sustainability figures (€m)

	9M 20[1]	9M 21[1]	Change y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR)[2]	1.36	1.41	+4%
Total Recordable Incident Rate (TRIR)[3]	3.06	3.10	+1%
Environment			
Primary (direct) energy used (TJ)	404	398	-1%
Secondary (indirect) energy use (TJ)	552	580	+5%
of which, Electricity (TJ)	484	494	+2%
from renewable sources (TJ)	313	494	+58%
from standard combustion sources (TJ)	171	0	-100%
renewable electricity (%)	65	100	+35 p.p.
Fresh water consumption (thousand m3)	326	323	-1%
Waste production (kt)	51	50	-2%
of which, hazardous (kt)	8	6	-21%
of which, non-hazardous (kt)	43	44	+1%
Waste recycled (kt)	36	39	+10%
Employees			
Number of employees (as of the end of the period)[4]	24,614	26,071	+6%
employees aged < 35 (%)	37.2	34.9	-2.3 p.p.
employees aged 35-44 (%)	37.2	38.4	+1.2 p.p.
employees aged 45-54 (%)	18.9	19.4	+0.5 p.p.
employees aged 55-60 (%)	4.6	4.9	+0.3 p.p.
employees > 60 (%)	2.2	2.4	+0.2 p.p.
employees other not classified (%)	-	-	-
Women in workforce (%)	18.9	19.0	+0.1 p.p.
Women in management positions (%)	11.2	11.8	+0.6 p.p.
Supply chain			
No. of Tier 1 suppliers	16,282	16,844	+3%
Purchase volume (€m)	5,287	5,340	+1%

1. Non-audited figures.
2. LTIFR index is calculated for 1,000,000 hours worked and includes all accidents with at least one workday loss.
3. TRIR index is calculated for 1,000,000 hours worked and includes fatalities, lost time accidents, restricted work and medical treatment cases.
4. Headcount totals in 9M 21 include the recent acquisition of Senvion.

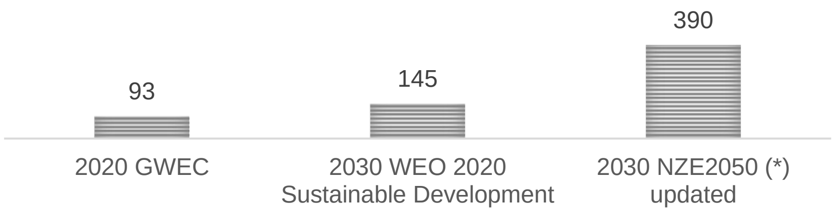
Note: TJ=Terajoules; 1Terajoule= 277.77 MWh; kt=thousand tons

Outlook

Measures aimed at mitigating climate change, including investment in "green" infrastructure, are playing a central role not only in the economic recovery over the short term but also in laying the foundations for solid, sustainable growth in the long term. In the last twelve months, governments, supranational bodies, companies and not-for-profit entities have announced plans to step up their emission reduction targets.

As the energy sector accounts for approximately two-thirds of emissions, renewable energy, including wind, has a fundamental role to play in achieving that reduction. This role is reflected in the steady growth in estimates of the installations needed to achieve those objectives. In its World Energy Outlook (WEO) 2020[7], the International Energy Agency (IEA) estimated that wind installations would attain 145 GW per year in 2030 in a "Sustainable Development" scenario, while 280 GW/year would be required to achieve net zero emissions by 2050. In its latest report, *Net Zero by 2050*[8], published in May 2021, the IEA increased that figure to 390 GW per year in 2030.

Figure 8: Annual installations in 2020 vs. 2030E (GW/year$_e$)[7, 8, 9]



(*) NZE2050: Net Zero global emissions in 2050 scenario

It is important to re-emphasize the relevance of two factors in achieving the decarbonization target on schedule and which, consequently, will affect the actual pace of wind power installations:

- The competitiveness of wind power, whose costs will continue to decline due to technology improvements and low funding costs.

  The IEA[8] considers that the cost of generating Offshore wind power in 2020 was lower than that of conventional sources in the European Union, joining Onshore wind, which was already cheaper worldwide. Additionally, it estimates that Offshore generating costs will fall by between 46% and 53% by 2030 and between 65% and 68% by 2050, in comparison with 2020, and for Onshore, they will fall between 0% and 18% by 2030 and between 14% and 27% by 2050 (also in comparison with 2020).
- The establishment of short- and medium-term sub-targets and of effective regulatory frameworks and appropriate incentive systems. In this connection, it is worth noting that, although 44 countries plus the European Union[8] are committed to achieving net zero emissions by 2050, few of them advance in the adoption of appropriate regulatory frameworks.

In the area of long-term commitments, in Q3 21 several countries stepped up and/or brought forward their emission reduction goals:

- In its *"Fit for 55"* package published on July 14, the European Union (EU) announced that it had increased its target for renewables' share of total energy to 40% by 2030, from 32%.
- Germany brought its climate neutrality target forward to 2045.
- United Kingdom stepped up its emission reduction target to 78% for 2035 with respect to the 1990 baseline, and to 68% by 2030.
- US set a target reduction of between 50% and 52% by 2030 with respect to 2005.
- Brazil has undertaken to reduce emissions by 50% by 2030 and to achieve zero emissions by 2050, 10 years before the previous target.

[7]International Energy Agency (IEA). World Energy Outlook 2020 (WEO 2020). October 2020.
[8]International Energy Agency (IEA). Net Zero by 2050: A roadmap for the Global Energy Sector (Net Zero by 2050). May 2021.
[9]Global Wind Energy Council (GWEC). Global Wind Report 2021. March 2021.

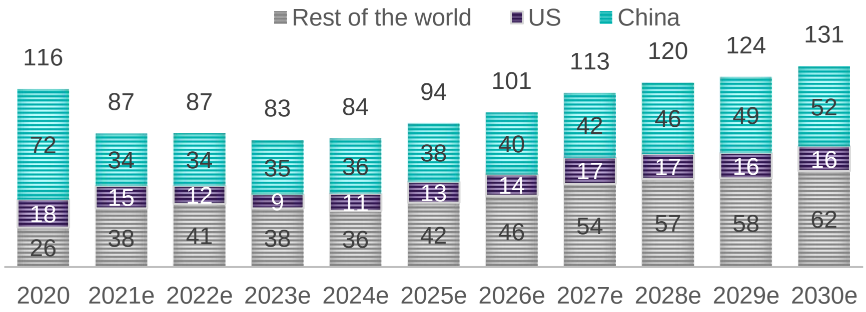
- Japan became the first country in Asia to legislate its decarbonization target for 2050 and plans to cut emissions by 46% by 2030 (vs. 2013).

The effect of the regulatory framework and demand incentives was reflected in the installation volume in 2020: 116 GW installed, according to Wood Mackenzie[10] (+84% y/y). This growth was concentrated in the Chinese market (primarily) and also in US, both driven by the expected change in Onshore incentive systems (from January 2021 in China and from January 2022 in US).

This peak of installations in 2020 helps to understand the expected reduction in annual global installations until 2023, a reduction that is exclusively concentrated in the Onshore market, and very particularly in China and US. The reduction in both markets, the largest in the world, compensates the continued growth in the rest of the countries that reach a temporary peak in 2022.

The pace of global installations will resume growth in 2024 and will maintain that trend during the second half of the decade (with total volume projected to be 588 GW between 2026 and 2030, compared with 433 GW between 2021 and 2025).

Figure 9: Onshore and Offshore installations 2020-2030E (GW/year$_e$)[10]



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

Figure 10: Average Onshore and Offshore installations 2018-29E (GW/year)[10]

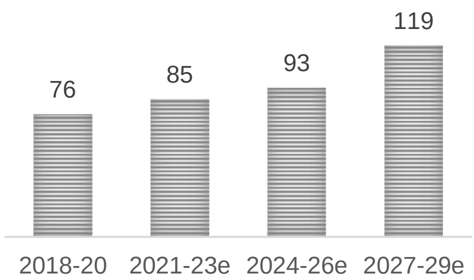
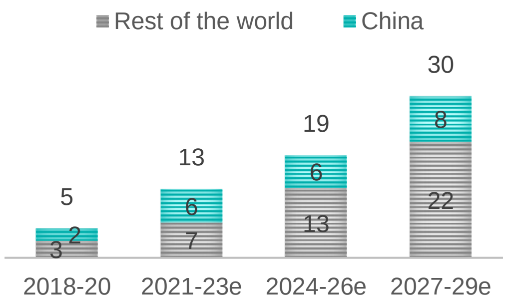


Figure 11: Average Offshore installations 2018-29E (GW/year)[10]



Development of market projections with respect to the outlook published by Wood Mackenzie in the previous quarter (Global Wind Market Outlook Q1 21) shows a net 29 GW increase in accumulated global installations in the decade (2021-2030), mainly in the Onshore market in US (+26 GW), now including the impact of the potential extension of the PTCs (production tax credits).

Additionally, projections for Onshore installations in Germany this decade have been increased by 3 GW, while projections for India have been cut again, by 5.6 GW, concentrated between 2021 and 2024.

China (335 GW), US (108 GW), India (58 GW) and Germany (30 GW) are expected to retain their positions as the largest Onshore markets, accounting for 66% of total accumulated installations projected for 2021-2030. Brazil,

[10] Wood Mackenzie (WM). Global Wind Power Market Outlook Update: Q2 2021. June 2021.

France, Spain, South Africa, Sweden and Australia, with cumulative installations of between 11 GW and 20 GW each, will contribute 12% in the same period.

In the Offshore market, projections for Taiwan have been increased by 2 GW between 2021 and 2030 as a result of the announcement of a new target of adding 15 GW of new capacity between 2026 and 2035.

Although new markets are emerging, the Offshore market is still much more concentrated. China, with 73 GW of installations in 2021-2030, will account for 33% of total installations in the period. Europe, led by United Kingdom (30 GW of installations in the same period), will install 86 GW, accounting for 39% of the total. It will be followed by US (32 GW) and Taiwan (13 GW). The contribution by new markets such as US will be concentrated in the second half of the decade (2026-2030).

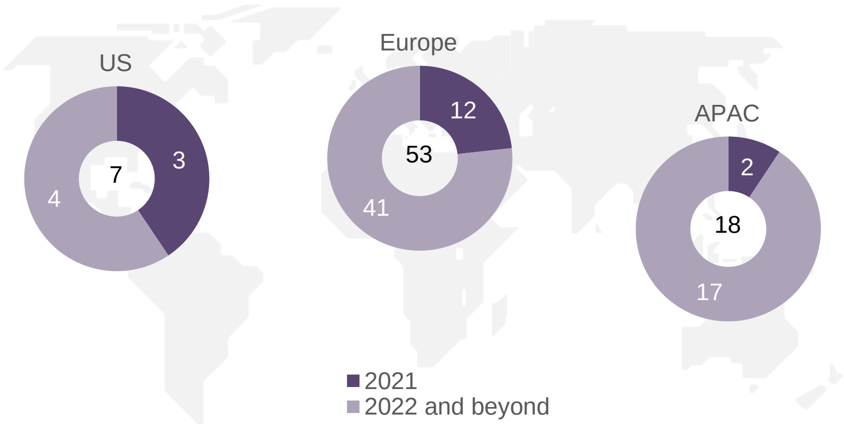
Institutional support for the development of the Offshore market is reflected in the 8.6 GW allocated in auctions whose results were published in the last quarter (Table 7) and in the 78 GW of auctions expected for 2021 and subsequent years (Figure 12)[11].

Table 7: Main auctions whose outcome was published in Q3 21

Auction	MW	Average price €/MWh[1]	COD[2]
Poland – direct awards[3]	5,904	70	2027
US – New Jersey	2,658	72	2028-2029
Japan – Goto	17	not published	2024

1. Using the exchange rate on the date the results were announced.
2. Expected commercial operation date based on auction conditions (not necessarily binding).
3. The 5.9 GW were announced in Q3 21, of which 2.85 GW were already included in the Activity Report for Q2 21.

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



Beyond the pace of installations, price dynamics in the Onshore market are relatively stable. According to BloombergNEF[13], the average price in Onshore contracts signed in the first half of 2021 was €0.75m/MW including installation (€0.69m/MW excluding installation), in line with average prices in contracts signed in 2020. In terms of product, Wood Mackenzie[14] notes that the >3 MW category dominates the Onshore market, and that the average capacity in contracts signed in 2021 is over 4 MW. Declines in prices in the Offshore market have been limited to date, and fully offset by operating efficiency gains. Future trends will depend both on auction outcomes and on the contribution by technology developments and supply chain efficiencies to reductions in the cost of energy. In terms of product, the 7 MW-10 MW category dominates the market (apart from China), while Wood Mackenzie[14] reports that the average capacity in contracts signed in 2021 is over 13 MW[14].

[11] Table 7 and Figure 12 are not an exhaustive list of all auction outcomes or all planned auctions.

[12] Of the planned 78 GW, 3 GW have been officially convened in US, 4 GW in Europe and 2 GW in APAC. The rest are projected auctions, some of which are reflected in the plans of the competent administrations.

[13] BloombergNEF. 1H 2021 Wind Turbine Price Index. July 2021.

[14] Wood Mackenzie (WM). Global wind turbine order database. May 2021.

FY21 Guidance

	9M 21	April 2021 guidance	July 2021 guidance
Revenue (€m)	7,335	10,200-10,500	c. 10,200
EBIT margin pre PPA and before integration and restructuring costs (%)	1.1%	3.0%-5.0%	-1.0%-0.0%

This guidance does not include charges for litigation or regulatory issues, and figures are expressed at constant exchange rates as of end of Q3 21 for Q4 21. This guidance does not cover any extraordinary impact from severe disruptions of the supply chain or a halt in manufacturing as a result of COVID-19.

Following the company performance in 9M 21, Siemens Gamesa has decided to update and adjust its guidance for FY21. This revision is mainly due to provisions for onerous projects affected by the following decisive factors:

- The sharp increase of raw material prices.
- Increased estimates of ramp-up costs for the Siemens Gamesa 5.X platform, especially in Brazil.

The impact of these elements has been exacerbated by the pandemic, especially in countries like Brazil where the company faces supply chain shortfalls and execution related bottlenecks.

Based on the above, SGRE is adjusting its guidance for FY21 as follows:

- Group revenue for FY21 is expected to be at the low end of the range communicated together with the results of the second quarter on April 30, 2021 (€10.2bn-€10.5bn).
- Group EBIT margin pre PPA and before I&R costs for FY21 is adjusted to a range of -1% to 0%.

In Q3 21, Siemens Gamesa began to introduce clauses into its Onshore contracts to protect against commodity price volatility (mainly steel towers). In addition to introducing these mechanisms, Siemens Gamesa continues to incorporate cost inflation into contract pricing and to ensure the necessary procurements to execute its backlog in FY22. Moreover, the company has ongoing cost-cutting programs aimed at mitigating the impact of higher input costs on platforms' cost of energy, and it is working to introduce new technical characteristics with that same goal: to enhance wind energy's competitiveness.

Additionally, the LEAP program aims to achieve profitability in the Onshore market and attain the company's long-term vision by:

- Focusing on profitability and on reducing project risk in contracts.
- Technological innovation.
- Simplifying the supply chain and reducing third-party spending.
- Improvement of project execution capabilities, standardizing processes and stepping up quality requirements.
- Reorganizing to optimize performance.

Finally, it is important to note that, despite the complex market environment, the Offshore market and the Service activity, which together account for close to 80% of the Group's backlog, registered strong performance in 9M 21.

Annex

Financial Statements October 2021 – June 2021

Profit and Loss Account

EUR in Millions	April - June 2020	April - June 2021	October 2019 - June 2020	October 2020 - June 2021
Revenue	2,411	2,704	6,615	7,335
Cost of sales	(2,607)	(2,733)	(6,806)	(6,963)
Gross Profit	**(196)**	**(29)**	**(190)**	**372**
Research and development expenses	(52)	(81)	(154)	(235)
Selling and general administrative expenses	(221)	(133)	(481)	(386)
Other operating income	(2)	5	11	10
Other operating expenses	(1)	-	(4)	(5)
Results of companies accounted for using the equity method	(3)	4	(4)	5
Interest income	2	3	8	8
Interest expense	(17)	(13)	(50)	(38)
Other financial income (expense), net	4	1	(2)	(2)
Income from continuing operations before income taxes	**(486)**	**(243)**	**(866)**	**(269)**
Income tax expenses	19	(71)	60	(98)
Income from continuing operations	**(466)**	**(314)**	**(806)**	**(367)**
Income from discontinued operations, net of income taxes	-	-	-	-
Non-controlling interests	-	-	1	(1)
Net income attributable to the shareholders of SGRE	**(466)**	**(314)**	**(805)**	**(368)**

Balance Sheet

EUR in Millions	06.30.2020	09.30.2020	10.01.2020 (*)	06.30.2021
Assets:				
Cash and cash equivalents	1,695	1,622	1,622	1,400
Trade and other receivables	1,174	1,141	1,142	1,157
Other current financial assets	104	212	212	269
Trade receivables from related companies	37	1	1	4
Contract Assets	1,715	1,538	1,538	1,657
Inventories	2,064	1,820	1,820	1,901
Current income tax assets	202	198	198	184
Other current assets	584	398	398	553
Total current assets	**7,574**	**6,929**	**6,931**	**7,126**
Goodwill	4,610	4,550	4,562	4,566
Other intangible assets	1,833	1,780	1,780	1,676
Property, plant and equipment	2,127	2,239	2,238	2,543
Investments accounting for using the equity method	66	66	66	73
Other financial assets	287	235	235	220
Deferred tax assets	536	529	526	529
Other assets	5	4	4	6
Total non-current assets	**9,464**	**9,403**	**9,411**	**9,613**
Total assets	**17,038**	**16,332**	**16,342**	**16,739**
Liabilities and equity:				
Short-term debt and current maturities of long-term debt	546	434	434	540
Trade payables	2,544	2,956	2,956	2,880
Other current financial liabilities	65	127	127	207
Trade payables to related companies	237	8	8	25
Contract Liabilities	3,362	3,148	3,171	3,209
Current provisions	681	723	715	693
Current income tax liabilities	159	177	180	162
Other current liabilities	929	761	735	780
Total current liabilities	**8,523**	**8,335**	**8,327**	**8,496**
Long-term debt	1,239	1,236	1,236	1,698
Provisions for pensions and similar obligations	16	20	20	22
Deferred tax liabilities	320	229	225	220
Non-current provisions	1,501	1,422	1,443	1,559
Other financial liabilities	216	126	126	117
Other liabilities	61	29	29	30
Total non-current liabilities	**3,353**	**3,062**	**3,080**	**3,646**
Issued capital	116	116	116	116
Capital reserve	5,932	5,932	5,932	5,932
Retained earnings and other components of equity	(886)	(1,114)	(1,114)	(1,452)
Non-controlling interest	1	1	1	1
Total Equity	**5,162**	**4,935**	**4,935**	**4,597**
Total Liabilities & Equity	**17,038**	**16,332**	**16,342**	**16,739**

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

Cash Flow Statement

EUR in Millions	April - June 2020	April - June 2021	October - June 2020	October - June 2021
Net Income before taxes	(486)	(243)	(866)	(269)
Amortization + PPA	290	192	644	555
Other P&L (*)	15	(17)	10	(8)
Working Capital cash flow effective change (***)	705	15	739	(334)
Charge of provisions (**)	28	299	267	388
Provision payments (**)	(78)	(95)	(257)	(252)
CAPEX	(151)	(163)	(352)	(452)
Investment in leased assets (****)	(36)	(13)	(109)	(285)
Adwen provision usage (**)	(46)	(25)	(102)	(60)
Tax payments	(7)	(31)	(143)	(109)
Acquisitions of businesses, net of cash acquired	(26)	-	(177)	-
Others	(3)	13	(24)	36
Cash flow for the period	**205**	**(67)**	**(370)**	**(790)**
Beginning cash / (net financial debt)	(295)	(771)	280	(49)
Ending cash / (net financial debt)	(90)	(838)	(90)	(838)
Variation in net financing cash flow	**205**	**(67)**	**(370)**	**(790)**

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

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

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

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

Key Balance Sheet Positions

EUR in Millions	06.30.2020	09.30.2020	10.01.2020 (*)	06.30.2021
Property, plant and equipment	2,127	2,239	2,238	2,543
Goodwill & Intangibles	6,443	6,330	6,342	6,242
Working capital	(1,498)	(1,976)	(1,971)	(1,621)
Other, net (**)	440	584	582	576
Total	**7,512**	**7,177**	**7,191**	**7,740**
Net financial debt / (cash)	90	49	49	838
Provisions (***)	2,198	2,165	2,178	2,274
Equity	5,162	4,935	4,935	4,597
Other liabilities	61	29	29	30
Total	**7,512**	**7,177**	**7,191**	**7,740**

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

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

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

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

Annex

Alternative Performance Measures

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

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

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

Net Financial Debt (NFD)

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

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

€m	06.30.2019	09.30.2019	10.01.2019 (*)	12.31.2019	03.31.2020
Cash and cash equivalents	954	1,727	1,727	1,661	1,421
Short-term debt	(471)	(352)	(418)	(513)	(487)
Long-term debt	(674)	(512)	(1,029)	(974)	(1,229)
Cash / (Net Financial Debt)	**(191)**	**863**	**280**	**175**	**(295)**

€m	06.30.2020	09.30.2020	12.31.2020	03.31.2021	06.30.2021
Cash and cash equivalents	1,695	1,622	1,533	1,515	1,400
Short-term debt	(546)	(434)	(636)	(607)	(540)
Long-term debt	(1,239)	(1,236)	(1,372)	(1,680)	(1,698)
Cash / (Net Financial Debt)	**(90)**	**(49)**	**(476)**	**(771)**	**(838)**

(*) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

Working capital (WC)

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

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

€m	06.30.2019	09.30.2019	10.01.2019 Comp. (*)	12.31.2019	03.31.2020
Trade and other receivables	1,421	1,287	1,287	1,079	1,036
Trade receivables from related companies	39	22	22	29	37
Contract assets	1,952	2,056	2,056	1,801	1,808
Inventories	2,044	1,864	1,864	2,071	2,115
Other current assets	651	461	451	578	466
Trade payables	(2,483)	(2,600)	(2,600)	(2,282)	(2,332)
Trade payables to related companies	(250)	(286)	(286)	(188)	(212)
Contract liabilities	(2,267)	(2,840)	(2,840)	(3,193)	(3,101)
Other current liabilities	(869)	(798)	(798)	(833)	(682)
Working Capital	**238**	**(833)**	**(843)**	**(939)**	**(865)**

(*) The Siemens Gamesa Group has adopted IFRS 16 as of October 1, 2019 using the full retrospective approach without restating comparative period figures. As a result of the foregoing, the opening balance as of October 1, 2019 has been modified. The main impacts of the first application of IFRS 16 in the consolidated balance sheet as of October 1, 2019 are the increase in Property, plant and equipment corresponding to the asset for the right of use in the amount of 679 million euros, a decrease in advance payments recorded under the headings "Other non-current assets" and "Other current assets", in an amount of 85 million euros and 10 million euros, respectively, and the corresponding increase in current and non-current liabilities (components of the Net Financial Debt) amounting to 583 million euros.

€m	06.30.2020	09.30.2020	10.01.2020 (*)	12.31.2020	03.31.2021	06.30.2021
Trade and other receivables	1,174	1,141	1,142	1,150	1,054	1,157
Trade receivables from related companies	37	1	1	1	5	4
Contract assets	1,715	1,538	1,538	1,517	1,464	1,657
Inventories	2,064	1,820	1,820	1,718	1,886	1,901
Other current assets	584	398	398	467	449	553
Trade payables	(2,544)	(2,956)	(2,956)	(2,346)	(2,493)	(2,880)
Trade payables to related companies	(237)	(8)	(8)	(47)	(38)	(25)
Contract liabilities	(3,362)	(3,148)	(3,171)	(3,393)	(3,237)	(3,209)
Other current liabilities	(929)	(761)	(735)	(767)	(728)	(780)
Working Capital	**(1,498)**	**(1,976)**	**(1,971)**	**(1,699)**	**(1,639)**	**(1,621)**

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

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

Capital Expenditure (CAPEX)

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

€m	Q3 20	Q3 21	9M 20	9M 21
Acquisition of intangible assets	(54)	(45)	(138)	(134)
Acquisition of Property, Plant and Equipment	(97)	(118)	(214)	(318)
CAPEX	**(151)**	**(163)**	**(352)**	**(452)**

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Acquisition of intangible assets	(44)	(39)	(50)	(45)	(178)
Acquisition of Property, Plant and Equipment	(205)	(101)	(99)	(118)	(523)
CAPEX	**(249)**	**(140)**	**(149)**	**(163)**	**(701)**

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Acquisition of intangible assets	(38)	(42)	(42)	(54)	(176)
Acquisition of Property, Plant and Equipment	(143)	(50)	(67)	(97)	(357)
CAPEX	**(181)**	**(92)**	**(109)**	**(151)**	**(533)**

Definitions of Cash Flow

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

€m	9M 20	9M 21
Net Income before taxes	(866)	(269)
Amortization + PPA	644	555
Other P&L (*)	11	(8)
Charge of provisions	267	388
Provision usage (without Adwen usage)	(257)	(252)
Tax payments	(142)	(109)
Gross Operating Cash Flow	**(344)**	**305**

€m	Q3 20	Q3 21
Net Income before taxes	(486)	(243)
Amortization + PPA	290	192
Other P&L (*)	15	(17)
Charge of provisions	28	299
Provision usage (without Adwen usage)	(78)	(95)
Tax payments	(7)	(31)
Gross Operating Cash Flow	**(238)**	**106**

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

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

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

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

	Q3 20 (*)	Q4 20 (*)	Q1 21 (*)	Q2 21 (*)	Q3 21 (*)
Order Intake Onshore Wind (€m)	872	1,698	1,619	1,330	856
Order Intake Onshore Wind (MW)	1,200	2,713	2,360	2,113	1,352
ASP Order Intake Wind Onshore	**0.73**	**0.63**	**0.69**	**0.63**	**0.63**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q3 20, €0m in Q4 20, €0m in Q1 21, €51m in Q2 21 and -€16m in Q3 21.

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

	Q4 20 (*)	Q1 21 (*)	Q2 21 (*)	Q3 21 (*)	LTM Jun 21
Order Intake Onshore Wind (€m)	1,698	1,619	1,330	856	5,503
Order Intake Onshore Wind (MW)	2,713	2,360	2,113	1,352	8,538
ASP Order Intake Wind Onshore	**0.63**	**0.69**	**0.63**	**0.63**	**0.64**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €0m in Q4 20, €0m in Q1 21, €51m in Q2 21 and €-16m in Q3 21.

	Q4 19 (*)	Q1 20 (*)	Q2 20 (*)	Q3 20 (*)	LTM Jun 20
Order Intake Onshore Wind (€m)	2,238	1,611	1,289	872	6,010
Order Intake Onshore Wind (MW)	3,147	2,563	1,645	1,200	8,555
ASP Order Intake Wind Onshore	**0.71**	**0.63**	**0.78**	**0.73**	**0.70**

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

	Q4 18	Q1 19 (*)	Q2 19 (*)	Q3 19 (*)	LTM Jun 19
Order Intake Onshore Wind (€m)	1,985	1,793	1,167	1,695	6,641
Order Intake Onshore Wind (MW)	2,631	2,370	1,742	2,130	8,873
ASP Order Intake Wind Onshore	**0.75**	**0.76**	**0.67**	**0.80**	**0.75**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €6m in Q1 19, €33m in Q2 19 and €1m in Q3 19.

Order Intake, Revenue and EBIT

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Group	2,564	2,281	5,500	1,520	11,864
Of which WTG ON	1,698	1,619	1,381	840	5,538

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Group	3,076	4,628	2,203	5,342	15,248
Of which WTG ON	2,240	1,611	1,350	872	6,073

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

Onshore:

MW	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Onshore	2,713	2,360	2,113	1,352	8,538

MW	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Onshore	3,147	2,563	1,645	1,200	8,555

Offshore:

MW	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Offshore	-	-	2,607	24	2,631

MW	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Offshore	72	1,279	-	2,860	4,211

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
WTG	2,325	1,899	1,902	2,179	8,305
Service	543	396	434	525	1,898
TOTAL	**2,868**	**2,295**	**2,336**	**2,704**	**10,203**

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
WTG	2,527	1,634	1,808	1,947	7,917
Service	417	366	395	464	1,642
TOTAL	**2,944**	**2,001**	**2,204**	**2,411**	**9,559**

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

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

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

€m	9M 20	9M 21
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(866)	(269)
(-) Income from investments acc. for using the equity method, net	4	(5)
(-) Interest income	(8)	(8)
(-) Interest expenses	50	38
(-) Other financial income (expenses), net	2	2
EBIT	**(819)**	**(243)**
(-) Integration costs	117	84
(-) Restructuring costs	235	65
(-) PPA impact	203	175
EBIT pre-PPA and integration & restructuring costs	**(264)**	**81**

€m	Q3 20	Q3 21
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(486)	(243)
(-) Income from investments acc. for using the equity method, net	3	(4)
(-) Interest income	(2)	(3)
(-) Interest expenses	17	13
(-) Other financial income (expenses), net	(4)	(1)
EBIT	**(472)**	**(238)**
(-) Integration costs	59	28
(-) Restructuring costs	183	3
(-) PPA impact	68	56
EBIT pre-PPA and integration & restructuring costs	**(161)**	**(151)**

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

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

€m	9M 20	9M 21
EBIT	(819)	(243)
Amortization, depreciation and impairment of intangible assets and PP&E	644	555
EBITDA	**(175)**	**312**

€m	Q3 20	Q3 21
EBIT	(472)	(238)
Amortization, depreciation and impairment of intangible assets and PP&E	290	192
EBITDA	**(181)**	**(46)**

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
EBIT	(139)	14	(19)	(238)	(382)
Amortization, depreciation and impairment of intangible assets and PP&E	200	180	182	192	754
EBITDA	**61**	**194**	**163**	**(46)**	**373**

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
EBIT	67	(229)	(118)	(472)	(752)
Amortization, depreciation and impairment of intangible assets and PP&E	204	172	182	290	848
EBITDA	**271**	**(57)**	**63**	**(181)**	**96**

Net income and Net income per share (EPS)

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

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

	Q3 20	9M 20	Q3 21	9M 21
Net Income (€m)	(466)	(805)	(314)	(368)
Number of shares (units)	679,517,513	679,516,874	680,067,397	679,853,425
Earnings Per Share (€/share)	**(0.69)**	**(1.19)**	**(0.46)**	**(0.54)**

Other indicators

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

€m	09.30.2019	06.30.2020	09.30.2020	06.30.2021
Actual revenue in year N (1)	-	6,615	-	7,335
Order Backlog for delivery in FY (2)	9,360	3,145	9,728	2,885
Average revenue guidance for FY (3) (*)	10,400	10,400	10,700	10,200
Revenue Coverage ([1+2]/3)	**90%**	**94%**	**91%**	**100%**

(*) FY21 revenue guidance communicated in November 2020 narrowed in July 2021 to €10.2bn.

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

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Order Intake	2,564	2,281	5,500	1,520	11,864
Revenue	2,868	2,295	2,336	2,704	10,203
Book-to-Bill	**0.9**	**1.0**	**2.4**	**0.6**	**1.2**

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Order Intake	3,076	4,628	2,203	5,342	15,248
Revenue	2,944	2,001	2,204	2,411	9,559
Book-to-Bill	**1.0**	**2.3**	**1.0**	**2.2**	**1.6**

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
CAPEX (1)	249	140	149	163	701
Amortization depreciation & impairments (a)	200	180	182	192	754
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	28	31	29	30	119
PPA Amortization on Intangibles (c)	59	60	59	56	235
Depreciation & Amortization (excl. PPA) (2=a-b-c)	112	90	94	105	401
Reinvestment rate (1/2)	**2.2**	**1.6**	**1.6**	**1.5**	**1.7**

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
CAPEX (1)	181	92	109	151	533
Amortization depreciation & impairments (a)	204	172	182	290	848
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	-	25	27	33	85
PPA Amortization on Intangibles (c)	67	66	69	68	269
Depreciation & Amortization (excl. PPA) (2=a-b-c)	137	81	86	189	494
Reinvestment rate (1/2)	**1.3**	**1.1**	**1.3**	**0.8**	**1.1**

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

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

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

€m	9M 20	9M 21
Gross Profit	(190)	372
PPA amortization on intangibles	133	131
Integration costs	84	60
Restructuring costs	147	54
Gross Profit (pre PPA, I&R costs)	**174**	**617**

€m	Q3 20	Q3 21
Gross Profit	(196)	(29)
PPA amortization on intangibles	45	42
Integration costs	41	19
Restructuring costs	100	4
Gross Profit (pre PPA, I&R costs)	**(10)**	**36**

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

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Gross Profit	81	202	199	(29)	453
PPA amortization on intangibles	45	45	44	42	175
Integration costs	49	20	21	19	109
Restructuring costs	33	13	37	4	87
Gross Profit (pre PPA, I&R costs)	**207**	**280**	**301**	**36**	**824**

€m	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Gross Profit	291	(57)	63	(196)	101
PPA amortization on intangibles	43	42	45	45	176
Integration costs	62	15	28	41	146
Restructuring costs	5	6	42	100	153
Gross Profit (pre PPA, I&R costs)	**401**	**7**	**177**	**(10)**	**575**

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

MWe	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Onshore	2,433	1,744	1,927	2,404	8,508

MWe	Q4 19	Q1 20	Q2 20	Q3 20	LTM Jun 20
Onshore	2,009	1,747	1,649	1,876	7,280

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

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

Glossary & Definitions for Alternative Performance Measures

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

AEP: annual energy production.

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

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

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

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

CAGR: Compound annual growth rate.

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

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

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

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

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

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

IP: Intellectual Property.

LTM: last twelve months.

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

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

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

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

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Note on alternative performance measures (APMs)

This document includes supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens Gamesa´s net assets and financial position or results of operations as presented in its consolidated financial statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently.