Activity Report

Third quarter FY 2022

April-June 2022 Results

2 August 2022

Contents

Introduction

Siemens Gamesa[1] obtained €2,436m in Group revenue in the third quarter of fiscal 2022 (Q3 22), i.e. 10% less than in the year-ago quarter (Q3 21), with an EBIT margin pre PPA and before integration and restructuring costs of -14.1% (-€343m). Revenue in the first nine months of 2022 (9M 22) amounted to €6,442m (-12% y/y) and EBIT pre PPA and before integration and restructuring costs totaled -€957m, i.e. an EBIT margin of -14.8%.

Group performance in 9M 22 was affected by the ramp-up of the Siemens Gamesa 5.X platform and supply chain conditions: inflation of energy, raw material and logistics costs, non-availability of key wind turbine components, port congestion, and supply delays, which impacted manufacturing and project execution and delivery.

In addition to these factors that affected the Wind Turbine segment, the Group's performance in Q3 22 was also impacted by higher costs mainly linked to component failures and repairs in legacy Onshore platforms. The impact, estimated at c. -€113m, was particularly significant in Service.

Consideration of the higher costs caused by the foregoing factors plus the updated assumptions as to market and production conditions in assessing the Onshore WTG backlog had a negative impact on EBIT in the amount of c. - €722m in 9M 22, of which c.-€185m arose in Q3 22, mainly because of cost deviations in onerous contracts.

Including integration and restructuring costs (-€62m in Q3 22) and the impact of the PPA on amortization of intangibles (-€55m in Q3 22), reported EBIT in Q3 22 amounted to -€459m and net income attributable to SGRE equity-holders amounted to -€446m. Reported EBIT in 9M 22 amounted to -€1,221m, including the impact of integration and restructuring costs (-€97m) and of the PPA on amortization of intangibles (-€168m). Reported net income attributable to SGRE equity-holders amounted to -€1,226m in 9M 22.

As of 30 June 2022, the Group's net debt totaled -€2,275m. Siemens Gamesa has €4,450m in committed funding lines, against which it has drawn €2,651m, and available liquidity amounting to €3,036m, including cash on the balance sheet at the end of Q3 22 (€1,237m). On July 27, the company has refinanced the short-term maturities (€675m) and extended 1 year with the same conditions. Siemens Gamesa maintains an investment grade rating: BBB from S&P (negative outlook) and BBB- from Fitch (stable outlook).

The company attained a record backlog in Q3 22: €33,980m, driven by Offshore activity, after signing €3,523m in orders in the quarter and €10,077m in the last twelve months.

SGRE is making good progress in the process of selling its assets under development in Southern Europe ("Asset Disposal"). Following the firm agreement reached in April, the required foreign investment clearances were obtained in July and the transaction is expected to be completed before the end of fiscal 2022 (FY22), with a positive impact on Group revenue of c. €580m and a slightly lower contribution to EBIT pre PPA and before integration and restructuring (I&R) costs and cash.

In view of performance in 9M 22, particularly the impact of the increase in costs, mainly derived from component failures and repairs in legacy Onshore platforms (c. -€113m in Q3 22), Siemens Gamesa considers it necessary to adjust its target EBIT margin pre PPA and before integration and restructuring costs by incorporating that impact into its previous target of c.-4%, leading to a new target of c. -5.5% [2] while maintaining its expectation that it will achieve revenue growth in line with the lower end, -9% y/y, of the previous range (-2% to -9%)[3] including, in both cases, the positive impact of the Asset Disposal.

It is important to note that the current circumstances continue to pose a high level of uncertainty due to supply chain disruptions, geopolitical tensions and macroeconomic deterioration, which may influence both the Group's performance during the fourth quarter (Q4 22) and the future assessment of the backlog.

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

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Siemens Gamesa continues to lead in the area of sustainability. During Q3 22, the Group received a new rating from ESG rating agency FTSE Russell: 4.4 out of a maximum of 5, and it retains its leading position in its industry according to FTSE Russell. S&P Global gave Siemens Gamesa a rating of 83 out of 100 in its ESG Evaluation. SGRE continues to be the only turbine manufacturer that has an ESG Evaluation and is ranked #2 in Spain and #12 worldwide.

Consolidated key figures Q3 22

- Revenue: €2,436m (-10% y/y)
- EBIT pre PPA and before integration and restructuring costs[4]: -€343m (N.A.)
- Net income: -€446m (N.A.)
- Net cash/(Net financial debt – NFD)[5]: -€2,275m
- Order book: €33,980m (+4% y/y)
- Firm order intake in Q3: €3,523m (2.3x y/y)
- Firm order intake in the last twelve months: €10,077m (-15% y/y)
- Installed fleet: 124,461 MW
- Fleet under maintenance: 84,203 MW

[4]EBIT pre-PPA, integration and restructuring costs excludes integration and restructuring costs in the amount of -€62m and the impact of fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of -€55m.

[5]Cash / (Net financial debt) is defined as cash and cash equivalents less long-term and short-term financial debt, including lease liabilities. The Siemens Gamesa Group adopted IFRS 16 effective 1 October 2019. As of 30 June 2022, lease liabilities amounted to €866m.

Markets and orders

In a difficult macroeconomic and geopolitical context, and following the clear increase in commitments to combat climate change in 2021, investment in renewables continues to have a central role in 2022. Geopolitical tensions in Europe have highlighted the need for a secure energy supply, and investment in renewable energy is vital in this connection. This role is reflected in the EU's *REPowerEU* plan, Germany's "Easter Package" and the UK's energy security strategy.

The central role of investment in renewables, both in guaranteeing commitments to combat climate change and in achieving energy security, supports the wind industry's long-term growth prospects. More immediately, however, growth is expected to be low single digit (c. 3% y/y through 2024), especially in the Onshore market (c.1% y/y through 2024) excluding China[6].

In this context, Siemens Gamesa signed orders worth €10,077m in the last twelve months, i.e. 1.1 times revenue in the period, and it ended the quarter with a record backlog: €33,980m (+4% y/y). Of the total order book, 51% (€17,330m) is in Service, which has higher returns and is growing by 7% year-on-year. The WTG order book is split into €10,556m Offshore (+12% y/y) and €6,094m Onshore (-12% y/y).

Figure 1: Order book at 30.06.22 (€m)

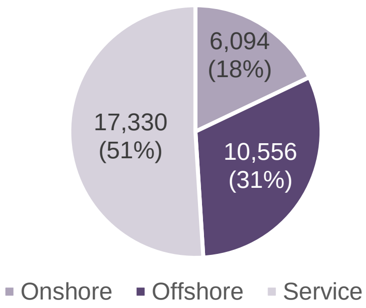
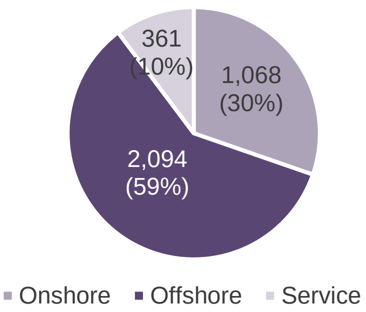


Figure 2: Order intake Q3 22 (€m)



The Group's order intake in Q3 21 amounted to €3,523m, giving a book-to-bill ratio of 1.4x, as a result of €1,068m in new orders in Onshore (+27% y/y), €2,094m in Offshore (+14.3x y/y) and €361m in Service (-32% y/y). Order intake in Q3 22 was 2.3 times the figure registered in the year-ago quarter, mainly reflecting strong commercial activity in the offshore market within the normal volatility in this area.

Table 1: Order intake (€m)

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
WTG	1,776	4,258	986	1,755	1,777	529	3,162
Onshore	1,619	1,381	840	867	1,361	209	1,068
Offshore	157	2,877	146	888	416	321	2,094
Service	505	1,242	534	1,129	695	669	361
Group	**2,281**	**5,500**	**1,520**	**2,884**	**2,472**	**1,198**	**3,523**

Onshore commercial activity rebounded in Q3 22, with new firm orders for 1,204 MW worth €1,068m (+27% y/y). Onshore order intake in the last twelve months stands at 4,625 MW (-46% y/y), worth €3,505m (-37% y/y), i.e. a book-to-bill ratio of 0.8x, reflecting the more protracted negotiations in an inflationary setting, a more selective commercial strategy that prioritizes risk control and profitability, and the fact that certain customers are postponing decisions.

[6]Wood Mackenzie: Global Wind Power Market Outlook Update: Q2 2022. June 2022.

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

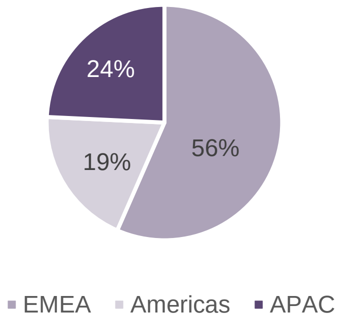
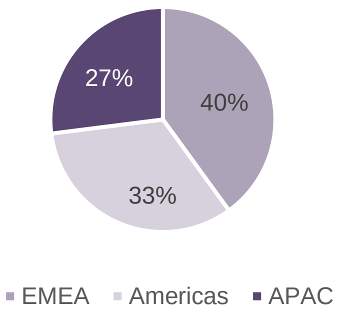


Figure 4: Order intake (€m) Onshore Q3 22 (%)



The markets that accounted for the largest share of order intake (MW) in the last twelve months are as follows: India (24%), Sweden (15%), Canada (14%), and Finland and Spain (10% each). In Q3 22, Canada (34%) was the largest single market, followed by Spain (13%), Japan (12%) and India (11%). Platforms with a capacity of 4 MW or higher accounted for 84% of orders (MW) in Q3 22, while the Siemens Gamesa 5.X platform, which has accumulated c. 4.1 GW in orders since its launch, accounted for 12%.

Offshore order intake amounted to €2,094m (book-to-bill: 2.6x), reflecting the normal volatility in commercial activity in this market, which registered firm orders for the Moray West (882 MW) and Borkum Riffgrund 3 (913 MW) wind farms. Order intake in the last twelve months was €3,719m (book-to-bill: 1.3x). During Q3 22, Siemens Gamesa signed a preferential supply agreement for the F.E.W. Baltic II wind farm (350 MW) in Poland. As a result, the conditional backlog amounted to 7.6 GW as of 30 June 2022. Siemens Gamesa continues to work very closely with customers to prepare for the large volume of auctions expected in 2022 and subsequent years (110 GW through 2027).

Service order intake amounted to €361m in Q3 22 (book-to-bill: 0.7x), impacted by changes in the scope of certain projects in the backlog. Service order intake in the last twelve months amounted to €2,854m (book-to-bill: 1.4x).

Average selling prices (ASP) in the Onshore segment trended positively in Q3 22. ASP rose because of an increase in prices in like-for-like terms, project scopes, the currency effect, the product mix (taller towers and larger rotors amply offset the dilution caused by larger-capacity platforms) and the geographic mix, as EMEA increased its contribution. In Q3 22, ASP benefited from changes in orders already in the backlog but positive trend remains. Siemens Gamesa continues to integrate cost inflation into its contracts and tools to reduce commercial risk in the face of commodity and transportation price volatility.

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

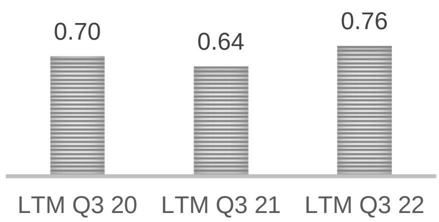
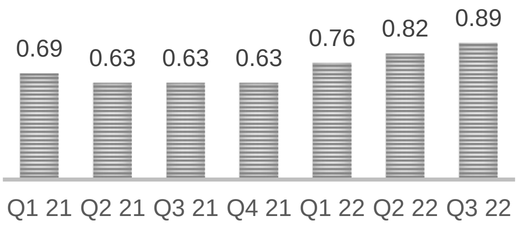


Figure 6: Average selling price (ASP) - Onshore order intake (€m/MW)



Key figures

The table below shows the main financial aggregates for the third quarter (April-June) of FY22 and FY21, and the variations, as well as those in the first nine months (October-June) of FY22 and FY21, and the variations.

Table 2: Key figures

€m	Q3 21	Q3 22	Change y/y	9M 21	9M 22	Change y/y
Group revenue	2,704	2,436	-9.9%	7,335	6,442	-12.2%
WTG	2,179	1,904	-12.6%	5,980	4,967	-16.9%
Service	525	532	+1.2%	1,355	1,475	+8.8%
WTG volume (MWe)	3,079	2,304	-25.2%	8,214	5,757	-29.9%
Onshore	2,404	1,529	-36.4%	6,075	4,226	-30.4%
Offshore	675	775	+14.8%	2,139	1,531	-28.4%
EBIT pre PPA and before I&R costs	-151	-343	--	81	-957	--
EBIT margin pre PPA and before I&R costs	-5.6%	-14.1%	-8.5 p.p.	1.1%	-14.8%	-16.0 p.p.
WTG EBIT margin pre PPA and before I&R costs	-12.0%	-18.2%	-6.2 p.p.	-3.6%	-23.5%	-19.9 p.p.
Service EBIT margin pre PPA and before I&R costs	21.0%	0.6%	-20.4 p.p.	22.1%	14.3%	-7.7 p.p.
PPA amortization[1]	-56	-55	-3.0%	-175	-168	-4.0%
Integration and restructuring costs	-31	-62	+100.6%	-149	-97	-35.2%
Reported EBIT	-238	-459	--	-243	-1,221	--
Net income attributable to SGRE shareholders	-314	-446	--	-368	-1,226	--
Net income per share attributable to SGRE shareholders[2]	-0.46	-0.65	--	-0.54	-1.80	--
Capex	163	183	20	452	503	51
Capex/revenue (%)	6.0%	7.5%	+1.5 p.p.	6.2%	7.8%	+1.7 p.p.
Working capital	-1,621	-1,745	-124	-1,621	-1,745	-124
Working capital/revenue LTM (%)	-15.9%	-18.8%	-2.9 p.p.	-15.9%	-18.8%	-2.9 p.p.
Net (debt)/cash[3]	-838	-2,275	-1,437	-838	-2,275	-1,437
Net (debt)/EBITDA LTM	-2.25	--	--	-2.25	--	--

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period. Q3 21: 680,067,397; Q3 22: 680,822,780; 9M 21: 679,853,425; 9M 22: 680,697,809.
3. Lease liabilities as of 30 June 2022: €822m and as of 30 June 2022: €866m.

Group performance in Q3 22 continued to reflect the challenges of the Siemens Gamesa 5.X platform launch and the impact of supply chain conditions: cost inflation, bottlenecks in critical components and delivery delays, all affecting wind turbines. Results were also impacted by higher costs, the main source of which was an increase in failures in certain components on legacy Onshore platforms in the Americas and repairs, which had a particular impact on the Service business.

In this context, Group revenue amounted to €2,436m in Q3 22, 10% lower than in the year-ago quarter, affected by the decline in WTG revenue: €1,904m (-13% y/y), while Service revenue remained practically stable: €532m (+1% y/y). Revenue amounted to €6,442m in 9M 22, 12% less than in 9M 21. Revenue in the WTG segment fell by 17% in the period, to €4,967m, while Service revenue rose by 9% y/y to €1,475m.

EBIT pre PPA and before integration and restructuring costs amounted to -€343m in Q3 22, equivalent to an EBIT margin of -14.1% (-5.6% in Q3 21). EBIT pre PPA and before integration and restructuring costs includes a negative impact of c. -€185m mainly due to cost deviations in onerous contracts, and an impact from higher costs arising mainly from component failures and repairs on Onshore legacy platforms in the Americas, amounting to c. -€113m (part of those with impact on the backlog profitability assessment).

EBIT before PPA and integration and restructuring costs amounted to -€957m in 9M 22, i.e., an EBIT margin of - 14.8% (+1.1% in 9M 21). The deterioration in margins reflects the challenges of the Siemens Gamesa 5.X platform launch, the costs deriving from supply chain disruptions and cost inflation, the lower volume of WTG activity, and the impact of higher costs associated to failure in components and repairs, mainly associated to legacy Onshore platforms, in Q3 22. The effect on EBIT of the valuation of the WTG project portfolio amounted to c. -€722m in 9M 22 (c. -€185m in Q3 22).

The impact of the PPA on amortization of intangible assets was -€55m in Q3 22 (-€168m in 9M 22), while integration and restructuring (I&R) costs amounted to -€62m in the same period (-€97m in 9M 22). Reported EBIT, including the impact of the PPA on amortization of intangible assets and integration and restructuring costs, amounted to - €459m in Q3 22 (-€238m in Q3 21), and to -€1,221m in 9M 22 (-€243m in 9M 21).

Investments carried by the equity method contributed income in the amount of €3.6m in Q3 22 (€4.0m in Q3 21) and €9.1m in 9M 22 (€5.3m in 9M 21). Net financial income of €5.0m was booked in Q3 22 (expense of -€8.5m in Q3 21) and €15.6m in 9M 22 (expense of -€31.6m in 9M 21). In Q3 22, financial expenses included a positive €17.7m effect of higher interest rates on updating the value of provisions (€46.4m in 9M 22). Tax income in the amount of €5.1m was recognized in Q3 22 (an expense of -€71.2m in Q3 21) and a tax expense of -€28.3m in 9M 22 (-€98.1m in 9M 21). The tax expense in 9M 22 is the result of losses in countries where deferred tax assets could not be capitalized.

As a result, the Group reported a net loss of -€446m in Q3 22 (-€314m in Q3 21), including the impact of amortization from the PPA and of integration and restructuring costs, both net of taxes, amounting to a total of -€84m[7] in Q3 22 (-€62m in Q3 21). The net loss per share for Siemens Gamesa equity-holders was -€0.65 in Q3 22 (-€0.46 in Q3 21). In 9M 22, the net loss was -€1,226m (-€368m in 9M 21) and the net loss per share for equity-holders of Siemens Gamesa amounted to -€1.8 (-€0.54 in 9M 21). The net loss in the first nine months includes the impact of amortization from the PPA and of integration and restructuring costs, both net of taxes, totaling -€189m[8] (-€232m in 9M 21).

The Group's working capital stood at -€1,745m in Q3 22, equivalent to -19% of LTM revenue. The €751m increase since the end of FY21 is mainly due to higher inventories. This increase was attributable to the impact of supply chain disruptions on manufacturing activity, delays in project execution and a focus on mitigating that impact with buffer inventories. While maintaining financial discipline, the Group will continue to prioritize current business needs.

Table 3: Working capital (€m)

Working capital (€m)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Change y/y[2]
Accounts receivable	1,152	1,058	1,162	906	890	1,253	1,008	-154
Inventories	1,718	1,886	1,901	1,627	2,007	2,300	2,369	468
Contract assets	1,517	1,464	1,657	1,468	1,406	1,356	1,545	-112
Other current assets[1]	467	449	553	520	524	552	612	59
Accounts payable	-2,393	-2,531	-2,904	-2,921	-2,713	-2,928	-3,074	-170
Contract liabilities	-3,393	-3,237	-3,209	-3,386	-3,421	-3,686	-3,585	-376
Other current liabilities	-767	-728	-780	-709	-671	-623	-620	160
Working capital	**-1,699**	**-1,639**	**-1,621**	**-2,496**	**-1,978**	**-1,777**	**-1,745**	**-124**
Change q/q	+277[1]	+59	+19	-876	+518	+201	+32	
Working capital/revenue LTM	**-17.4%**	**-16.5%**	**-15.9%**	**-24.5%**	**-20.3%**	**-18.6%**	**-18.8%**	**-2.9 p.p.**

1. For the purposes of comparison, after adjusting the beginning balance of acquired businesses (Purchase Price Allocation, PPA, of the business combinations with Senvion in accordance with IFRS 3). Including that adjustment, working capital declined by €273m in Q1 21.
2. Change in closing balances between Q3 21 and Q3 22.

[7] The PPA amounts to -€55m (-€56m in Q3 21), -€39m net of tax (-€40m in Q3 21), and integration and restructuring costs amount to -€62m (-€31m in Q3 21), -€45m net of tax (-€22m in Q3 21).

[8] The PPA amounts to -€168m (-€175m in 9M 21), -€119m net of tax (-€125m in 9M 21), and integration and restructuring costs amount to -€97m (-€149m in 9M 21), -€70m net of tax (-€107m in 9M 21).

Capex amounted to €183m in Q3 22 (€163m in Q3 21), including €43m of capitalized R&D (€45m in Q3 21). Offshore accounted for more than half of capital spending in Q3 22. Capex amounted to €503m in 9M 22 (€452m in 9M 21), including €128m of capitalized R&D (€134m in 9M 21).

The net debt position increased by €2,068m[9] with respect to year-end, to -€2,275m at the end of Q3 22, due to operating performance, capital expenditure, and the increase in working capital. The company maintains a solid funding position, with access to €4,450m in committed funding lines, against which it had drawn €2,651m, and total liquidity amounting to €3,036m, including cash on the balance sheet at the end of Q3 22 (€1,237m). In July, SGRE extended the maturities of short-term debt (€675m) from December 2022 / January 2023 to December 2023 / January 2024, and has c. €2,000m available in credit lines expiring in FY27. Additionally, good progress is being made on the sale of development assets in Southern Europe (Asset Disposal), having obtained the required foreign investment clearances. The transaction is expected to be completed before the end of fiscal year 2022 (FY22) and will have a positive impact on Group revenue of c. €580m, with a slightly lower contribution to EBIT pre PPA and before integration and restructuring costs, while transaction costs, book value and other accounting items will amount to approximately 5% of the sale price.

WTG

Table 4: WTG (€m)

€m	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Change y/y
Revenue	1,899	1,902	2,179	2,292	1,400	1,662	1,904	-12.6%
Onshore	1,061	1,154	1,328	1,463	941	931	1,096	-17.5%
Offshore	838	748	851	829	460	732	808	-5.0%
Volume (MWe)	2,478	2,657	3,079	2,781	1,445	2,008	2,304	-25.2%
Onshore	1,744	1,927	2,404	2,223	1,195	1,502	1,529	-36.4%
Offshore	734	730	675	558	250	506	775	14.8%
EBIT pre PPA and before I&R costs	18	25	-261	-298	-410	-412	-346	--
EBIT margin pre PPA and before I&R costs	1.0%	1.3%	-12.0%	-13.0%	-29.3%	-24.8%	-18.2%	-6.2 p.p.

During Q3 22, the WTG segment continued to be affected by supply chain imbalances and the ramp-up of the Siemens Gamesa 5.X platform.

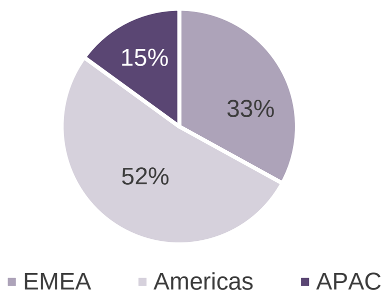
As in previous quarters, imbalances in the supply chain, which in Q3 22 was also impacted by the zero COVID policy in China, resulted in cost inflation in both components and logistics, material shortages and delays in component deliveries that slowed manufacturing activity and project execution and delivery, generating additional costs ranging from under capacity costs to penalties for late deliveries. These factors impacted the company's activity in both the Onshore and Offshore markets, and they were higher than expected in the latter. As for the launch of the Siemens Gamesa 5.X platform, progress continued to be made in the planned direction during Q3 22,

In this context, WTG revenue fell 13% y/y to €1,904m in Q3 22, affected by the 25% y/y reduction in manufacturing volume to 2,304 MWe. The reduction in manufacturing activity was concentrated in the Onshore market, with 1,529 MWe manufactured (-36% y/y), while Offshore manufacturing activity grew by 15% y/y to 775 MWe.

Onshore revenue fell 17% y/y to €1,096m, affected by the decline in manufacturing volume, which was partly offset by a positive impact from project scope, a higher level of installation per MWe manufactured, and currency During Q3 22, Canada was the largest single destination of Onshore sales (in MWe), accounting for 21%, followed by Sweden (18%) and Brazil (14%).

[9]Net financial debt as of 30 September 2021: -€207m, including €829m in lease liabilities. Net financial debt as of 30 June 2022: -€2.275m, including €866m in lease liabilities.

Figure 7: WTG Onshore sales (MWe) Q3 22 (%)



Revenue in the Offshore market fell 5% y/y to €808m in Q3 22, as the increase in manufacturing volume was offset by a slower pace of project installation (-40% y/y).

WTG revenue in the first nine months amounted to €4,967m (-17% y/y): €2,967m (-16% y/y) in the Onshore market and €1,999m (-18% y/y) in the Offshore market.

EBIT before PPA and integration and restructuring costs amounted to -€346m in Q3 22 (-€1,168m in 9M 22), i.e. an EBIT margin of -18.2% (-23.5% in 9M 22), as a result in both periods of:

- The impact on costs of the challenges experienced in the Siemens Gamesa 5.X platform launch, including manufacturing delays.
- Inflation of material and transportation costs and the impact of supply chain disruptions on manufacturing and on project execution and delivery, plus the associated costs.
- Costs associated to failure in components of legacy Onshore platforms.
- Consideration of these higher costs plus the updated assumptions as to market and production conditions in valuing the Onshore WTG backlog had a negative impact on EBIT in the amount of c. -€185m in Q3 22 (c. -€722m in 9M 22), mainly as a result of cost deviations in onerous contracts. Those assumptions include the impact on manufacturing and delivery times of the challenges in the Siemens Gamesa 5.X platform launch.
- Lower revenue as a result of the foregoing factors, resulting in a lower absorption of overheads.

Operation and Maintenance Service

Table 5: Operation and maintenance (€m)

€m	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Change y/y
Revenue	396	434	525	571	429	515	532	+1.2%
EBIT pre PPA and before I&R costs	102	86	110	121	101	108	3	-97.1%
EBIT margin pre PPA and before I&R costs	25.9%	19.9%	21.0%	21.2%	23.5%	20.9%	0.6%	-20.4 p.p.
Fleet under maintenance (MW)	75,493	77,101	77,745	79,199	82,007	83,058	84,203	+8.3%

In Q3 22, the Service activity was affected by higher costs mainly as a result of higher failures and repairs of certain components in legacy Onshore platforms, especially in the Americas. Revenue increased slightly in this context (+1.2% with respect to Q3 21, to €532m) while EBIT pre PPA and before integration and restructuring costs fell to €3m in Q3 22, i.e. an EBIT margin of 0.6%. Under Mistral program, Siemens Gamesa continues to assess the quality and availability of the WTG platforms with the aim of enhancing the value proposition to customers and the company's commercial positioning in the Onshore market.

Service revenue amounted to €1,475m in 9M 22, with EBIT pre PPA and before integration and restructuring costs amounting to €212m, i.e. an EBIT margin of 14.3%. The company expects the margin to recover in the fourth quarter.

The fleet under maintenance expanded by 8% y/y to 84 GW in Q3 22: 15.0 GW Offshore (+26% y/y) and 69.2 GW Onshore (+5% y/y).

Sustainability

	9M 21[1]	9M 22[1]	Change y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR) [2]	1.41	1.54	+9%
Total Recordable Incident Rate (TRIR) [3]	3.10	3.00	-3%
Environment			
Primary (direct) energy used (TJ)	398	337	-16%
Secondary (indirect) energy use (TJ)	580	523	-10%
of which, Electricity (TJ)	494	440	-11%
from renewable sources (TJ)	494	440	-11%
from standard combustion sources (TJ)	0	0	--
renewable electricity (%)	100	100	0 p.p.
Fresh water consumption (thousand m3)	323	332	+3%
Waste production (kt)	50	37	-27%
of which, hazardous (kt)	6	5	-19%
of which, non-hazardous (kt)	44	32	-27%
Waste recycled (kt)	39	30	-25%
Employees			
Number of employees (at period-end)	26,071	27,382	+5%
employees aged < 35 (%)	34.9	34.0	-0.9 p.p.
employees aged 35-44 (%)	38.4	38.2	-0.2 p.p.
employees aged 45-54 (%)	19.4	20.1	+0.7 p.p.
employees aged 55-60 (%)	4.9	5.2	+0.3 p.p.
employees > 60 (%)	2.4	2.6	+0.2 p.p.
Women in workforce (%)	19.0	19.6	+0.6 p.p.
Women in management positions (%)	11.8	13.7	+1.9 p.p.
Supply chain			
No. of Tier 1 suppliers	16,844	17,464	+4%
Purchasing volume covered by Supplier Code of Conduct (%)	85	87	+2 p.p.

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

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

Siemens Gamesa received a new evaluation from FTSE Russell ESG rating agency: 4.4 out of 5. SGRE continues being ranked top in the Renewable Energy Equipment sector, according to FTSE Russell. Additionally, SGRE achieved from S&P Global a score of 83 out of a 100 in its ESG Evaluation. SGRE is the only wind turbine manufacturer to receive an ESG Evaluation and currently ranks #2 in Spain and #12 globally.

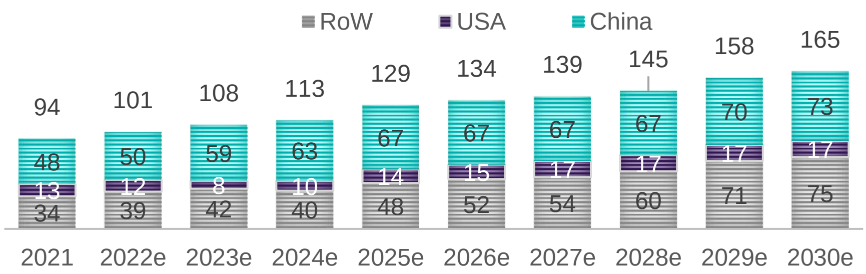
Outlook

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

The long-term prospects for wind demand continued to strengthen in Q3 22: +3.3 GW[10] in 2022-31e, supported mainly by upgraded projections of annual installation figures in Europe and Australia from 2025, and in Canada. The improvement in projections in Europe is concentrated in the Offshore markets in Germany (+3.2 GW), Denmark (+2.0 GW) and the United Kingdom (+3.0 GW), and is due to the need to guarantee the energy supply in the face of geopolitical tensions, especially the war in Ukraine. The increase in projections In Australia (+5.4 GW) is associated with the new Labor government's commitment to the energy transition and decarbonization following its May 2022 election victory. In Canada, the increase (+3.0 GW) is linked to the province of Alberta in the first half of the decade, and the new Hydro-Quebec auction for 2027-31e. The higher projections in Europe, Australia and Canada outweighed the decrease in planned installations in the U.S. (-10.3 GW, concentrated mainly in the Onshore market), where demand continues to reflect regulatory uncertainty: lack of developments in connection with the Production Tax Credits (PTC); and India (-6.9 GW Onshore), where the pace of installations continues to fall short of expectations.

While the global increase in demand will be mainly from 2025 onwards, projected demand in 2022-24e has fallen (-5.8 GW[11]), with the decline concentrated in the US (-3.2 GW) and India (-1.9 GW). In addition to regulatory inaction in the U.S., this near-term slowdown in the pace of installations is also potentially attributable to current supply chain challenges.

Figure 8:Annual Onshore and Offshore installations 2021-2030E (GW/year$_e$)



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

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

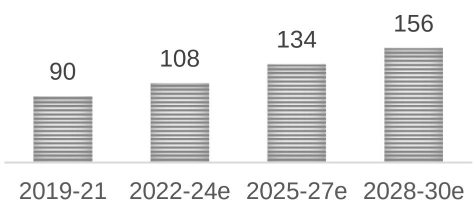
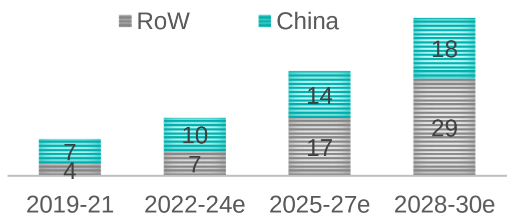


Figure 10: Average installations per year (Offshore) 2019-30E (GW)



China (511 GW), USA (106 GW), India (59 GW) and Germany (48 GW) continue to be the largest Onshore markets, accounting for 71% of the total cumulative installations projected for 2022-2031. Spain, Brazil, Australia, France and South Africa contribute 9%, with cumulative installations between 15 GW and 21 GW per country in the same period.

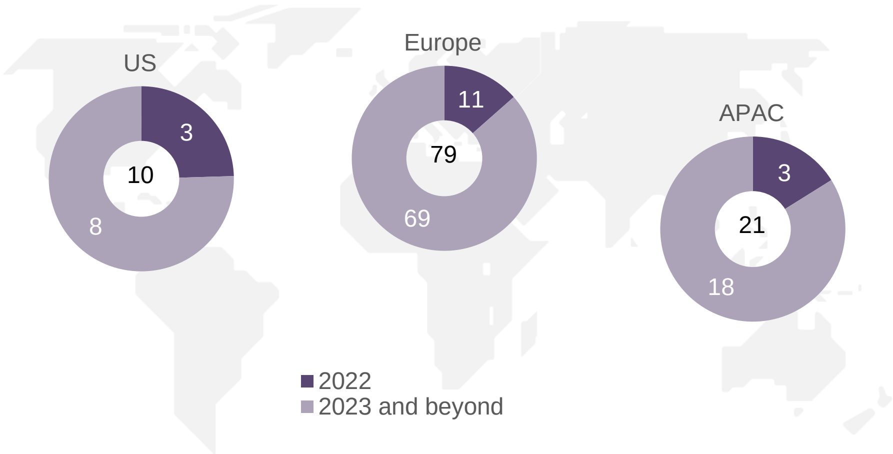
[10]Change in forecasts between Wood Mackenzie's Global Wind Power Market Outlook Update for March 2022 (*Q1 2022*) and June 2022 (*Q2 2022*). All increases in the paragraph refer to that comparison and to the 2022-31e period.

[11]Change in forecasts between Wood Mackenzie's Global Wind Power Market Outlook Update for March 2022 (*Q1 2022*) and June 2022 (*Q2 2022*). All increases in the paragraph refer to that comparison and to the 2022-24e period.

Although more countries are joining, the Offshore market is still much more concentrated. China, with 146 GW of installations in 2022-2031, will account for 44% of total installations in the period. Europe, with the United Kingdom in the lead (36 GW of installations in period), will install 120 GW, accounting for 36% of the total. It will be followed in Europe by Germany (24 GW) and The Netherlands (18 GW in the period). Europe will be followed by the USA (37 GW) and Taiwan (14 GW). The contribution by new markets such as the USA will be concentrated from 2025 onwards.

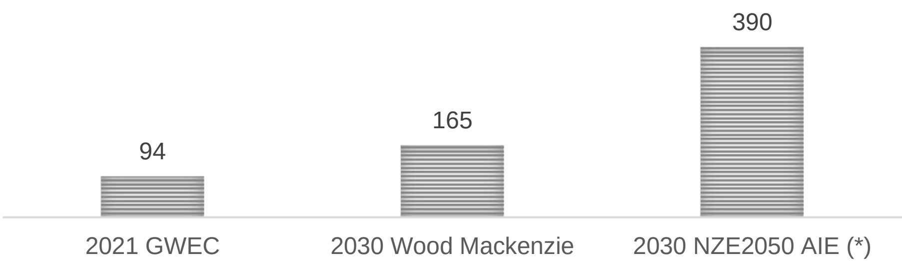
Institutional support for the development of the Offshore market is reflected in the 16 GW allocated by auction in 2021 and the 110 GW expected in auctions in 2022 and subsequent years through 2027.

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



Importantly, despite the steady improvement in long-term demand prospects, the commitments announced so far are not yet sufficient to achieve net zero emissions by 2050. To achieve decarbonization by 2050, the International Energy Agency[13] (IEA) estimates that wind power installations need to reach 390 GW per year by 2030, which is more than double the level of installations projected for that date by WM.

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



(*) NZE2050: Net zero emissions worldwide by 2050

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

[12]Figure 11 does not seek to provide an exhaustive list of all planned auctions. Of the planned 110 GW, 6.3 GW have been officially convened in USA, 67.3 GW in Europe and 14.5 GW in APAC. The remainder are planned auctions, some of which are reflected in the corresponding government plans.

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

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

FY22 outlook and long-term vision

Siemens Gamesa's performance in the first nine months of FY22 was severely affected by the challenges posed by the ramp-up of the Siemens Gamesa 5.X platform, which proved to be more complex than initially estimated, and the impact of the supply chain situation characterized by strong cost inflation (energy, raw materials and logistics), the non-availability of key wind turbine components, and by port congestion that led to delays in deliveries and in project execution and commissioning. Performance in Q3 22 was also affected by higher costs, mainly due to component failures and repairs in legacy Onshore platforms, with a particular impact on Service. Under Mistral program Siemens Gamesa continues to assess the quality and availability of the WTG platforms with the aim of enhancing the value proposition to customers and the company's commercial positioning in the Onshore market.

Ongoing assessment of the WTG segment's backlog, which entails considering higher supply, execution, delivery and maintenance costs and adopting new assumptions about market and production conditions, for both the Siemens Gamesa 5.X platform and its predecessors, also impacted performance in the first nine months.

As a result, Group revenue amounted to €6,442m in 9M 22 (€2,436m in Q3 22), with EBIT pre PPA and before integration and restructuring costs amounting to -€957m (-€343m in Q3 22), i.e. an EBIT margin of -14.8% in the period (-14.1% in Q3 22). Within that performance, consideration of higher costs plus the updated assumptions as to market and production conditions in valuing the Onshore WTG backlog impacted EBIT in the amount of c. - €722m in 9M 22, of which c. -€185m arose in Q3 22, mainly as a result of cost deviations in onerous contracts. The impact of higher costs mainly associated to component failure and repairs on Group performance in Q3 22 amounted to -€113m (part of those impacting the assessment of backlog profitability).

Following the 9M 22 performance, Siemens Gamesa has factored, beyond the elements previously considered: supply chain related costs and Siemens Gamesa 5.X ramp-up challenges, the impact of higher costs mainly associated to failure of components and repairs in Q3 22 into its FY22 target. Considering these costs, the Group is working to achieve an EBIT margin pre PPA and I&R costs of c. -5.5%, and revenue growth near the lower end, -9% y/y, of the previous target range (-9% and -2%)[15] with respect to FY21. Both parameters include the positive impact of the Asset Disposal Sale agreed in April, which is expected to be completed in the fourth quarter of FY22[16].

It is important to note that the market environment, the supply chain situation, and the geopolitical and macroeconomic environment all continue to be complicated and impose a higher-than-normal degree of uncertainty on the company's estimates.

At this time, the level of uncertainty stemming from external factors affects the Group's forecasts for FY23, expected to be negative at EBIT pre PPA and I&R costs level, when performance is expected to be heavily weighed down by:

- Execution of onerous contracts in the Onshore backlog.
- Under capacity costs resulting from the lack of growth in Onshore sales volume due to both expected demand trends and the company's selective commercial policy.
- Material and component costs above pre-pandemic levels leading to reduced profitability, especially in the older-dated Offshore project backlog for delivery in FY23.
- Ongoing quality assessment of legacy Onshore platforms as part of the Group's strategy to improve the customer value proposition and enhance its commercial position in the Onshore market.
- Increasing geopolitical uncertainty and macro risks, including rising financing costs, with a potential impact on customers' investment decisions and on the supply chain's return to normality.

Despite the short-term challenges, the Group continues to take a long-term view, with Group-wide profitability of 8% or over (EBIT pre PPA and before integration and restructuring costs) being viewed as achievable and sustainable

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

[16] The Asset Disposal will have a positive impact on Group revenue of approximately €580m, with a slightly lower contribution to EBIT pre PPA and before integration and restructuring costs, while transaction costs, book value and other accounting items will amount to approximately 5% of the sale price.

in the future, with timing subject to market conditions. During the second quarter of 2022 and following the appointment of Jochen Eickholt as CEO, the company launched a program (Mistral) to achieve this long-term vision. The actions in the Mistral plan take place over three-time horizons:

- Earnings stabilization in the short term.
- Margin growth in the medium term.
- Maximize the company's potential in the long term.

The short-term stabilization phase includes both the plan for the Siemens Gamesa 5.X platform and actions to address the most immediate challenges arising from the current supply chain situation. In addition to setting up dedicated working groups to concentrate exclusively on mitigating current challenges (Siemens Gamesa 5.X and Procurement) with a cross-functional focus to ensure a comprehensive approach in the search for solutions, there will be greater commercial discipline, higher selectivity, strengthened project approval processes, and increasing alignment between Procurement and Sales. In this context, the first signs of stabilization were observed in Q3 22, when the Group's performance in the Onshore market was within the range expected by the company.

Margin growth is supported by developing the sales line, increasing the product line's competitiveness, achieving operational excellence and structure optimization, and using capital efficiently. The analysis and improvement of the availability of legacy Onshore platforms falls under this heading.

Maximizing the company's potential entails grouping strategic decisions in connection with technology, the operating model and the supply chain.

The Mistral program aims to overhaul the current operating model, making the organization simpler and leaner. It will also improve organizational efficiency and effectiveness. The company will maintain a business-focused setup while strengthening the COO (Chief Operating Officer) and CTO (Chief Technology Officer) teams to accelerate harmonization and standardization across Siemens Gamesa.

Details of the new operating model will be finalized by October 1, 2022. This will enable Siemens Gamesa to optimize capacity of footprint and structure.

Under the new structure, which will go into effect on January 1, 2023, Siemens Gamesa will create a single technology roadmap across the businesses, making cross-company platform solutions scalable and reducing non-conformance costs (NCCs) through harmonized processes and by focusing on key competencies across Siemens Gamesa.

In the new operating model, the COO will be responsible for manufacturing across the entire Siemens Gamesa portfolio. In addition, all supply-chain- and production-related functions will be combined under the COO's scope, enabling product standardization with the support of a qualified supplier network. The new setup will unlock significant value and enable a transition to mid- to long-term procurement contracts of direct materials. Overall, the strategy will ensure competitive high-quality products across businesses and provide greater transparency for the capital market.

Additionally, there will be a single technology development team spanning Offshore, Onshore and Service, led by the newly created Chief Technology Officer (CTO) position, summarizing all product related activities globally. Integrating the teams under a global function at the corporate level is a prerequisite to accelerating the harmonization and standardization of technologies across the company, providing overall stability to the development process and product quality. The new CTO will be announced in due time.

Driven by the Mistral program, the company expects to achieve its long-term vision, with above-market sales growth and EBIT margin pre PPA and I&R costs over or equal to 8%, with timing subject to market conditions.

SIEMENS Gamesa
RENEWABLE ENERGY

Annex

Financial Statements October 2021 – June 2022

Profit and Loss Account

EUR in Millions	April - June 2021	April - June 2022	October 2020 - June 2021	October 2021 - June 2022
Revenue	2,704	2,436	7,335	6,442
Cost of sales	(2,733)	(2,708)	(6,963)	(7,108)
Gross Profit	**(29)**	**(272)**	**372**	**(667)**
Research and development expenses	(81)	(81)	(235)	(218)
Selling and general administrative expenses	(133)	(124)	(386)	(365)
Other operating income	5	8	10	21
Other operating expenses	-	11	(5)	6
Results of companies accounted for using the equity method	4	4	5	9
Interest income	3	1	8	8
Interest expense	(13)	(13)	(38)	(38)
Other financial income (expense), net	1	17	(2)	46
Income from continuing operations before income taxes	**(243)**	**(451)**	**(269)**	**(1,197)**
Income tax expenses	(71)	5	(98)	(28)
Income from continuing operations	**(314)**	**(445)**	**(367)**	**(1,225)**
Income from discontinued operations, net of income taxes	-	-	-	-
Non-controlling interests	-	(0)	(1)	(1)
Net income attributable to the shareholders of SGRE	**(314)**	**(446)**	**(368)**	**(1,226)**

Balance Sheet

EUR in Millions	06.30.2021	09.30.2021	06.30.2022
Assets:			
Cash and cash equivalents	1,400	1,961	1,237
Trade and other receivables	1,157	901	1,001
Other current financial assets	269	239	316
Trade receivables from related companies	4	5	7
Contract Assets	1,657	1,468	1,545
Inventories	1,901	1,627	2,369
Current income tax assets	184	208	208
Other current assets	553	520	612
Total current assets	**7,126**	**6,929**	**7,294**
Goodwill	4,566	4,635	4,853
Other intangible assets	1,676	1,651	1,585
Property, plant and equipment	2,543	2,579	2,708
Investments accounting for using the equity method	73	78	89
Other financial assets	220	212	179
Deferred tax assets	529	539	579
Other assets	6	8	10
Total non-current assets	**9,613**	**9,702**	**10,003**
Total assets	**16,739**	**16,630**	**17,297**
Liabilities and equity:			
Short-term debt and current maturities of long-term debt	540	382	1,687
Trade payables	2,880	2,900	3,045
Other current financial liabilities	207	180	246
Trade payables to related companies	25	22	29
Contract Liabilities	3,209	3,386	3,585
Current provisions	693	949	1,026
Current income tax liabilities	162	201	186
Other current liabilities	780	709	620
Total current liabilities	**8,496**	**8,729**	**10,423**
Long-term debt	1,698	1,786	1,825
Provisions for pensions and similar obligations	22	21	18
Deferred tax liabilities	220	171	137
Non-current provisions	1,559	1,324	1,295
Other financial liabilities	117	113	126
Other liabilities	30	27	43
Total non-current liabilities	**3,646**	**3,442**	**3,443**
Issued capital	116	116	116
Capital reserve	5,932	5,932	5,932
Retained earnings and other components of equity	(1,452)	(1,590)	(2,619)
Non-controlling interest	1	1	2
Total Equity	**4,597**	**4,458**	**3,431**
Total Liabilities & Equity	**16,739**	**16,630**	**17,297**

Cash Flow Statement

EUR in Millions	April - June 2021	April - June 2022	October 2020 - June 2021	October 2021 - June 2022
Net Income before taxes	(243)	(451)	(269)	(1,197)
Amortization + PPA	192	258	555	632
Other P&L (*)	(17)	(15)	(8)	(26)
Working Capital cash flow effective change (***)	15	(30)	(334)	(765)
Charge of provisions (**)	299	25	388	327
Provision payments (**)	(95)	(107)	(252)	(301)
CAPEX	(163)	(183)	(452)	(503)
Investment in leased assets (****)	(13)	(14)	(285)	(131)
Adwen provision usage (**)	(25)	(8)	(60)	(51)
Tax payments	(31)	(28)	(109)	(87)
Acquisitions of businesses, net of cash acquired	-	-	-	-
Others	13	9	36	34
Cash flow for the period	**(67)**	**(544)**	**(790)**	**(2,068)**
Beginning cash / (net financial debt)	(771)	(1,731)	(49)	(207)
Ending cash / (net financial debt)	(838)	(2,275)	(838)	(2,275)
Variation in net financing cash flow	**(67)**	**(544)**	**(790)**	**(2,068)**

(*) 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	06.30.2021	09.30.2021	06.30.2022
Property, plant and equipment	2,543	2,579	2,708
Goodwill & Intangibles	6,242	6,285	6,439
Working capital	(1,621)	(2,496)	(1,745)
Other, net (*)	576	619	686
Total	**7,740**	**6,987**	**8,088**
Net financial debt / (cash)	838	207	2,275
Provisions (**)	2,274	2,294	2,339
Equity	4,597	4,458	3,431
Other liabilities	30	27	43
Total	**7,740**	**6,987**	**8,088**

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

€m	06.30.2021	09.30.2021	12.31.2021	03.31.2022	06.30.2022
Cash and cash equivalents	1,400	1,961	1,332	1,058	1,237
Short-term debt	(540)	(382)	(590)	(1,442)	(1,687)
Long-term debt	(1,698)	(1,786)	(1,840)	(1,347)	(1,825)
Cash / (Net Financial Debt)	**(838)**	**(207)**	**(1,097)**	**(1,731)**	**(2,275)**

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

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

€m	06.30.2021	09.30.2021	12.31.2021	03.31.2022	06.30.2022
Trade and other receivables	1,157	901	885	1,247	1,001
Trade receivables from related companies	4	5	6	6	7
Contract assets	1,657	1,468	1,406	1,356	1,545
Inventories	1,901	1,627	2,007	2,300	2,369
Other current assets	553	520	524	552	612
Trade payables	(2,880)	(2,900)	(2,695)	(2,902)	(3,045)
Trade payables to related companies	(25)	(22)	(18)	(26)	(29)
Contract liabilities	(3,209)	(3,386)	(3,421)	(3,686)	(3,585)
Other current liabilities	(780)	(709)	(671)	(623)	(620)
Working Capital	**(1,621)**	**(2,496)**	**(1,978)**	**(1,777)**	**(1,745)**

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 21	Q3 22	9M 21	9M 22
Acquisition of intangible assets	(45)	(43)	(134)	(128)
Acquisition of Property, Plant and Equipment	(118)	(140)	(318)	(375)
CAPEX	**(163)**	**(183)**	**(452)**	**(503)**

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

€m	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
Acquisition of intangible assets	(54)	(38)	(48)	(43)	(182)
Acquisition of Property, Plant and Equipment	(171)	(91)	(145)	(140)	(546)
CAPEX	**(225)**	**(129)**	**(192)**	**(183)**	**(728)**

€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)**

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 21	9M 22
Net Income before taxes	(269)	(1,197)
Amortization + PPA	555	632
Other P&L (*)	(8)	(26)
Charge of provisions	388	327
Provision usage (without Adwen usage)	(252)	(301)
Tax payments	(109)	(87)
Gross Operating Cash Flow	**305**	**(652)**

€m	Q3 21	Q3 22
Net Income before taxes	(243)	(451)
Amortization + PPA	192	258
Other P&L (*)	(17)	(15)
Charge of provisions	299	25
Provision usage (without Adwen usage)	(95)	(107)
Tax payments	(31)	(28)
Gross Operating Cash Flow	**106**	**(318)**

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

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

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

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

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

	Q4 21 (*)	Q1 22 (*)	Q2 22 (*)	Q3 22 (*)	LTM Jun 22
Order Intake Onshore Wind (€m)	867	1,361	209	1,068	3,505
Order Intake Onshore Wind (MW)	1,376	1,791	255	1,204	4,625
ASP Order Intake Wind Onshore	**0.63**	**0.76**	**0.82**	**0.89**	**0.76**

(*) Order intake WTG ON includes only wind orders. No solar orders are included.

	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.

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 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
WTG	1,755	1,777	529	3,162	7,223
Of which WTG ON	867	1,361	209	1,068	3,505
Of which WTG OF	888	416	321	2,094	3,719
Service	1,129	695	669	361	2,854
TOTAL	**2,884**	**2,472**	**1,198**	**3,523**	**10,077**

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
WTG	1,776	1,776	4,258	986	8,797
Of which WTG ON	1,698	1,619	1,381	840	5,538
Of which WTG OF	78	157	2,877	146	3,258
Service	787	505	1,242	534	3,068
TOTAL	**2,564**	**2,281**	**5,500**	**1,520**	**11,865**

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

MW	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
WTG ON	1,376	1,791	255	1,204	4,625
WTG OF	847	253	-	1,753	2,853
TOTAL	**2,223**	**2,044**	**255**	**2,957**	**7,478**

MW	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
WTG ON	2,713	2,360	2,113	1,352	8,538
WTG OF	-	-	2,607	24	2,631
TOTAL	**2,713**	**2,360**	**4,720**	**1,376**	**11,169**

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

€m	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
WTG	2,292	1,400	1,662	1,904	7,258
Of which WTG ON	1,463	941	931	1,096	4,430
Of which WTG OF	829	460	732	808	2,828
Service	571	429	515	532	2,046
TOTAL	**2,863**	**1,829**	**2,177**	**2,436**	**9,304**

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
WTG	2,325	1,899	1,902	2,179	8,305
Of which WTG ON	1,499	1,061	1,154	1,328	5,041
Of which WTG OF	826	838	748	851	3,263
Service	543	396	434	525	1,898
TOTAL	**2,868**	**2,295**	**2,336**	**2,704**	**10,203**

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 21	9M 22
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(269)	(1,197)
(-) Income from investments acc. for using the equity method, net	(5)	(9)
(-) Interest income	(8)	(8)
(-) Interest expenses	38	38
(-) Other financial income (expenses), net	2	(46)
EBIT	**(243)**	**(1,221)**
(-) Integration costs	84	47
(-) Restructuring costs	65	49
(-) PPA impact	175	168
EBIT pre-PPA and integration & restructuring costs	**81**	**(957)**

€m	Q3 21	Q3 22
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(243)	(451)
(-) Income from investments acc. for using the equity method, net	(4)	(4)
(-) Interest income	(3)	(1)
(-) Interest expenses	13	13
(-) Other financial income (expenses), net	(1)	(17)
EBIT	**(238)**	**(459)**
(-) Integration costs	28	20
(-) Restructuring costs	3	42
(-) PPA impact	56	55
EBIT pre-PPA and integration & restructuring costs	**(151)**	**(343)**

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 21	9M 22
EBIT	(243)	(1,221)
Amortization, depreciation and impairment of intangible assets and PP&E	555	632
EBITDA	**312**	**(590)**

€m	Q3 21	Q3 22
EBIT	(238)	(459)
Amortization, depreciation and impairment of intangible assets and PP&E	192	258
EBITDA	**(46)**	**(201)**

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

€m	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
EBIT	(279)	(377)	(385)	(459)	(1,501)
Amortization, depreciation and impairment of intangible assets and PP&E	203	176	198	258	834
EBITDA	**(77)**	**(201)**	**(187)**	**(201)**	**(666)**

€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**

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 21	9M 21	Q3 22	9M 22
Net Income (€m)	(314)	(368)	(446)	(1,226)
Number of shares (units)	680,067,397	679,853,425	680,822,780	680.697,809
Earnings Per Share (€/share)	**(0.46)**	**(0.54)**	**(0.65)**	**(1.80)**

Other indicators

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

€m	09.30.2020	06.30.2021	09.30.2021	06.30.2022
Actual revenue in year N (1)	-	7,335	-	6,442
Order Backlog for delivery in FY (2)	9,728	2,885	8,874	2,681
Average revenue guidance for FY (3) (*)	10,700	10,200	9,739	9,280
Revenue Coverage ([1+2]/3)	**91%**	**100%**	**91%**	**98%**

(*) FY21 revenue guidance communicated in November 2020 narrowed in April 2021 to the range between €10.2bn and €10.5bn. FY22 midpoint of growth rate guidance from -7% to -2% communicated in November 2021 adjusted in January 2022 from -9% to -2%. Expectations for the SGRE group's performance in FY22 are being reassessed as of Q3 FY22 and, consequently, the previous market guidance for FY22 is no longer valid and is under review. For now, Siemens Gamesa will continue to work on achieving revenue growth of -9% with respect to fiscal year 2021 (FY21), this figure includes the impact of the Asset Disposal (approx. €580m).

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

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

€m	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
Order Intake	2,884	2,472	1,198	3,523	10,077
Revenue	2,863	1,829	2,177	2,436	9,304
Book-to-Bill	**1.0**	**1.4**	**0.6**	**1.4**	**1.1**

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Order Intake	2,564	2,281	5,500	1,520	11,865
Revenue	2,868	2,295	2,336	2,704	10,203
Book-to-Bill	**0.9**	**1.0**	**2.4**	**0.6**	**1.2**

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 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
CAPEX (1)	225	129	192	183	728
Amortization depreciation & impairments (a)	203	176	198	258	834
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	32	34	37	38	142
PPA Amortization on Intangibles (c)	55	57	57	55	223
Depreciation & Amortization (excl. PPA) (2=a-b-c)	115	86	104	165	470
Reinvestment rate (1/2)	**1.9**	**1.5**	**1.9**	**1.1**	**1.5**

€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**

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 21	9M 22
Gross Profit	372	(667)
PPA amortization on intangibles	131	122
Integration costs	60	27
Restructuring costs	54	46
Gross Profit (pre PPA, I&R costs)	**617**	**(472)**

€m	Q3 21	Q3 22
Gross Profit	(29)	(272)
PPA amortization on intangibles	42	39
Integration costs	19	10
Restructuring costs	4	41
Gross Profit (pre PPA, I&R costs)	**36**	**(182)**

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

€m	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
Gross Profit	(107)	(192)	(202)	(272)	(774)
PPA amortization on intangibles	40	41	41	39	162
Integration costs	24	5	12	10	50
Restructuring costs	3	2	3	41	49
Gross Profit (pre PPA, I&R costs)	**(41)**	**(144)**	**(146)**	**(182)**	**(513)**

€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**

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

€m	9M 21	9M 22
Gross Profit	114	73
Research & Development	5	10
Sales and Administration	27	13
Others	4	(0)
Integration and Restructuring costs	**149**	**97**

€m	Q3 21	Q3 22
Gross Profit	23	52
Research & Development	1	4
Sales and Administration	6	6
Others	1	(0)
Integration and Restructuring costs	**31**	**62**

€m	Q4 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
Gross Profit	27	6	15	52	100
Research & Development	2	2	5	4	13
Sales and Administration	14	3	4	6	27
Others	5	0	(0)	(0)	4
Integration and Restructuring costs	**48**	**11**	**24**	**62**	**144**

€m	Q4 20	Q1 21	Q2 21	Q3 21	LTM Jun 21
Gross Profit	82	33	57	23	195
Research & Development	2	1	3	1	7
Sales and Administration	24	11	10	6	51
Others	2	1	1	1	6
Integration and Restructuring costs	**110**	**47**	**71**	**31**	**259**

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 21	Q1 22	Q2 22	Q3 22	LTM Jun 22
Onshore	2,223	1,195	1,502	1,529	6,450

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

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.