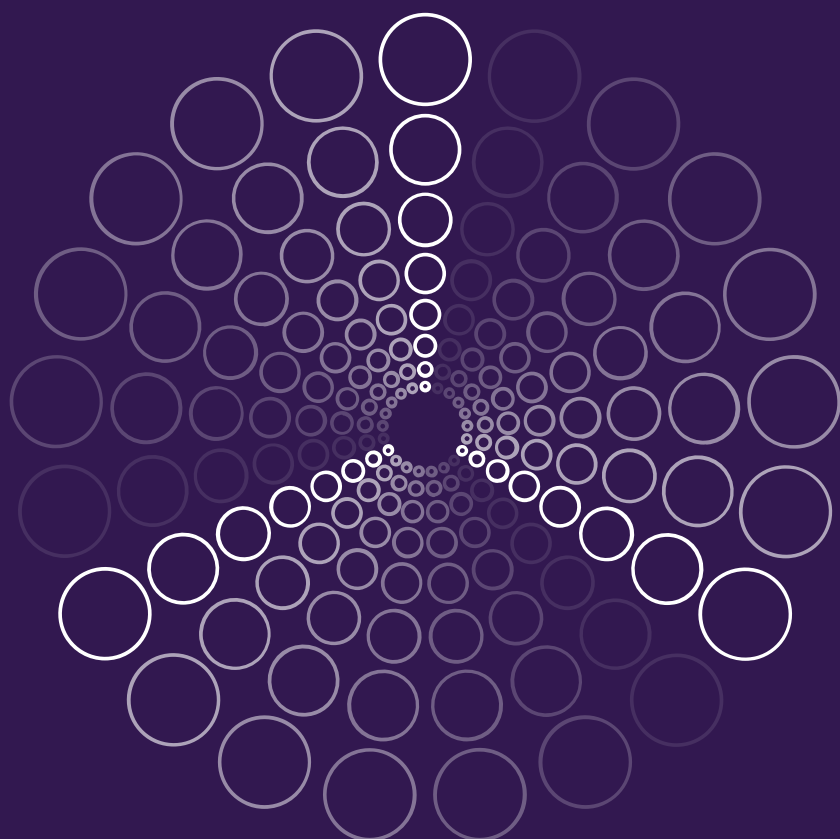


2020 Annual General Meeting of Shareholders

Bilbao, 22 July 2020



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Miguel Ángel López

Siemens Gamesa
Renewable Energy
Chairman

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SPEECH OF MIGUEL ÁNGEL LÓPEZ, SIEMENS GAMESA RENEWABLE ENERGY CHAIRMAN

BILBAO, 22 JULY 2020

Good afternoon, ladies and gentlemen – a warm welcome to the 2020 Annual General Meeting of Siemens Gamesa Renewable Energy.

We are holding this Meeting at a very complicated time, both for the world in general and also for our industry as everybody tries to cope with the disruption brought by Covid-19. As you know, we are meeting almost four months later than we had hoped as the restrictions to movement and gatherings made our March date impossible.

It has always been our intention to hold the meeting with our shareholders physically, if at all possible, but only when safe to do so. And today is the first date at which this really became possible. So I am genuinely delighted to be here, after months of lockdown, thank you for joining us, and also to those who have decided to exercise their vote remotely.

I am here as you will know, with new Chief Executive Officer Andreas Nauen. I would like to give a warm welcome to Andreas in your first AGM as CEO. I would like to place on record my thanks to former CEO Markus Tacke for all of his contribution to this company.

We – the executive management and Board of Directors of Siemens Gamesa – is delighted to be speaking to you from our home city of Bilbao. The Basque Country, neighboring Navarra, Madrid and all of Spain is immensely important to Siemens Gamesa. These places, alongside our sites in Brande, Denmark and Hamburg – are the cradle of our industry. The wind industry began here, and its future growth will be driven here by a proudly international company with a Spanish heart.

GLOBAL LANDSCAPE AND OUTLOOK FOR WIND ENERGY

This is an ideal moment to reflect on that history, because despite the current challenges the wind energy industry still looks set for a period of unprecedented growth and opportunity.

Indeed, the Global Wind Energy Council report for 2019 showed that 60.4 GW of wind energy was installed, the second highest on record, and only slightly short of the 63.8 GW high seen in 2015. The total of global wind energy capacity now stands at 651 GW.

In the European market, installations grew by 30% year-on-year despite a sharp fall in Germany.

As a sign of things to come, however, Europe's Offshore capacity increased by a record 6.1GW in 2019. The offshore industry has huge potential, and as the global market leader, Siemens Gamesa will have a major role to play in capturing and driving that growth.

The greatest cause for long term optimism for our industry came not in the wind farms of the North Sea or Aragon, but on the streets of our Cities where the call to address climate change was made loud and clear by the youth of society, and in the corridors of power where that call was heard and where we are seeing the resolution to act.

2019 will ultimately be seen as the year in which climate change was finally recognized for the severity of the challenge it poses.

In 2020, of course, the world's attention has been switched to fighting two entirely different and more immediate crises – first the scourge of Covid-19 and secondly the profound economic impact it is generating.

As the most immediate threat of the public health issue begins to recede, attention is now more firmly focused on driving economic recovery.

However, the threat of climate crisis has not gone away. We very firmly believe that addressing climate change is one path towards the type of economic renewal that governments the world over are seeking.

As governments look to stimulate their economies they should look to the future and invest in technologies and infrastructure that will help to build a more sustainable future: one that not creates jobs and economic activity and does so by providing a clean future for all. The wind industry can provide all those things.

And in recent weeks it has been highly encouraging to hear the leaders of many governments make the case for renewable energy.

The President of the European Commission, Ursula von der Leyen, put tackling climate change at the heart of her policy agenda with the announcement of Europe's Green Deal. The EU has already pledged that supporting the green economy should be a focus as it prepares to make unprecedented investments to drive new growth. Before the crisis the EU set out aims to mobilise €1 trillion in investments over the next 10 years to support the transition towards climate neutrality by 2050 and the Green Deal outlines a roadmap for green transition that she said would help cut carbon emissions, create jobs and open up new opportunities in a fair way.

That wind energy is now in a position to deliver at scale on this promise has been made possible by the industry's incredible efforts in making our products and services increasingly price competitive against fossil fuels.

The Bloomberg New Energy Outlook for 2019 reported that the cost of wind energy has fallen by 49% since 2010 and forecast that by 2030 both wind and solar energy would be cheaper than coal and gas almost everywhere. Onshore wind today competes with traditional sources of energy, and is by some distance the cheapest generation source ahead of both coal and gas. Our technology is proven, reliable and cost effective.

And there is even more potential to come. We recognize that the wind is not as constant as traditional energy sources, and we must apply our ingenuity to finding energy storage solutions. Our ETES thermal energy project, with its pilot in Hamburg, is one such innovation. You will also increasingly hear about the potential for converting surpluses from renewable energy production into hydrogen that could power industry and the electricity grid. The technology required to deliver such a solution is improving all the time, and this presents a long term opportunity.

PIONEERS IN SUSTAINABILITY

Talking of all these issues is also to talk of sustainability, which is one of our key priorities as a renewable company.

As a company at the forefront of the energy transition, Siemens Gamesa has always operated with a heightened awareness of such issues, but has now taken steps to elevate its approach across its many different activities.

Towards the end of 2019 we also achieved the significant milestone of becoming carbon neutral, as we work towards our further long-term ambition of net-zero CO2 emissions by 2050. The company has achieved carbon neutrality through a combination of measures such as energy reduction and efficiency, a switch to sourcing electricity from renewable sources, and offsetting non-avoidable emissions through compensation projects.

One area in which the company has been truly pioneering is in its financing where the strategy is focused not only on securing flexible conditions and cheaper terms but in linking all operations to environmental, social and corporate governance (ESG) criteria.

Siemens Gamesa has achieved milestones in its green financing strategy, having arranged important deals in the market with a sustainable component. We have accumulated more than €15 billion in green guarantee lines.

The company has extended the maturity of its €2.5 billion syndicated facility, arranged in May 2018 with various domestic and international banks. A new factor in this operation has been the inclusion of environmental, social and corporate governance (ESG) criteria.

In Siemens Gamesa, we have a three-year sustainability strategy in place that we will close at the end of fiscal year 2020. It stands on five pillars: Integrity and Transparency, Commitment to people, Green Development, Responsible Supply Chain and Community Engagement.

I'd like to share with you some highlights of this year's activity.

The first is in the area of community engagement. We have now concluded the implementation of the first round of SG Impact which is Siemens Gamesa's global employee-driven community engagement initiative. Eight social action projects in 7 countries including Spain, Morocco and Thailand promoted positive change in local communities and benefited over 1,500 people.

This year the program continues, but 16 projects selected by our employees are all focused on initiatives that work towards combating the consequences of COVID-19. These are being led by our recently established Social Commitment team that will oversee our engagement in these areas.

In addition to these employee led projects, the company used its own procurement teams and logistics to source €1 million in vital medical supplies and then distribute them to hospitals close to many of our operations. A Red Cross matching donation campaign was also established for staff to contribute to the organization's global efforts to fight the pandemic, with the total funds raised to be doubled up to €1 million by the company.

Siemens Gamesa's sustainability performance has been widely recognized with our inclusion in the world's most prestigious indices such as the Dow Jones Sustainability Indices®, FTSE4Good® and the Ethibel Sustainability Index®, to name a few.

We are ambitious in this area and sustainability is now a key driving force within Siemens Gamesa and we as your Board will drive engagement in these areas.

MEETING INDUSTRY CHALLENGES

While both the Board and Siemens Gamesa's management team are optimistic about the long term potential of the company in a growing industry, we also recognize the immediate challenges we face, and are working to address them.

As we look at the companies operating in the wind energy sector, we can see that they face significant difficulties.

The most recent round of financial reporting shows that even the biggest and strongest of companies are struggling to deliver strong profitability.

The headwinds facing the industry are many and varied.

The most immediate of these remains Covid-19.

Over the past six months the company has worked hard to keep the business moving while never compromising the health and wellbeing of our people, which was always given the very highest priority throughout the crisis.

We are proud that the early and decisive measures we took around protective equipment, social distancing and testing – among others – have allowed us to come through the crisis unscathed from a health and safety point of view, with no major outbreak at any of our facilities.

We are also proud of the resilience and determination that our people have shown. Keeping our factories busy, building and maintaining our customers' wind farms and running our own business they have helped to alleviate the effects of this great crisis.

However, despite all this work, the crisis has had an impact on results. The continued uncertainty of the situation resulted in the decision to suspend our financial guidance for fiscal 2020. Siemens Gamesa has already quantified the cost of the crisis in the second quarter of the year and has indicated that next week there will be further impact to fiscal Q3.

It is increasingly clear that this crisis is far from over and we will continue to be vigilant and look after our people and our business.

Covid seems only to have aggravated political and macroeconomic volatility in both developed and developing countries that were previously evident. Adverse conditions arising from global trade tensions and Brexit were apparent throughout 2019 and early 2020, as was the ongoing economic slowdown. The trade tensions, and in particular those between China and the USA, have resulted in higher costs for us and ultimately in higher electricity prices for consumers, and therefore we continue to encourage governments to find solutions to these issues that benefit all.

These macroeconomic challenges are an unfortunate but always present feature of doing business in a globalized economy. Siemens Gamesa has worked to address them and minimize their impact. With our global supply chain, with operations across the world from the US to Europe, Morocco to India to China, we have been capable of mitigating some of the impact of these global shockwaves.

Besides macroeconomic and political issues, our industry has faced its own challenges, notably in pricing pressure and in the lack of activity and visibility of new volumes in many markets – such as Spain, which has not held auctions since 2017 and Germany where just 180MW of capacity was installed in 2019.

On pricing, the introduction of auctions as a mechanism for allocating renewable capacity or production in electricity markets, pressure from alternative renewable sources to wind energy, and the strong competitive pressure among wind turbine manufacturers have led to severe pricing pressure.

This decline, which became particularly visible in the Onshore segment has gradually stabilised since the beginning of 2018 although we do continue to see pressure and are acting to adjust our commercial offer and cost base accordingly. That pressure has also become evident in the Offshore segment. In the most recent round 3 UK auctions that resulted in the award of 5.5 GW of Offshore capacity at an incredibly low average price of €46 /MWh.

As ever in business, however, disruption also brings opportunity – and Siemens Gamesa is positioning itself to lead the industry over the long-term: first through leading the consolidation in the wind turbine manufacturing and service area; second our management team is seeking to deliver an optimized supply chain, manufacturing footprint and execution

capability that helps us to increase flexibility and better manage risks and cost. We are also working closely through our industry associations and through our own teams to encourage governments across the world to create the framework to deliver long term growth.

In this context only the strong survive and we have seen consolidation in the industry in 2019, and Siemens Gamesa's position enabled it to play a leading role last year with the acquisition of certain assets of Senvion. It is likely that that consolidation continues and it is likely that the pressures continue.

In this regard it is critical that Siemens Gamesa continues to maintain a highly competitive cost base, to optimize its supply chain, operations and project execution capacity and management has continued to address these issues, taking steps such as reorganizing its procurement structure and optimizing its manufacturing footprint. This has led us to take difficult but inevitable decisions, such as that begun last month to close an uncompetitive plant in Navarre.

While we of course take responsibility for ensuring our market offer is competitive, we must also work with governments and authorities to ensure they create the right conditions for the industry to deliver to the ambitious targets for wind energy installations in the coming decades.

It is critical that governments provide stable regulatory frameworks that ensure both long term visibility on volumes and market conditions in order to advance the energy transition. In addition, we see the need for the energy market to provide clear price signals in order to phase out polluting fossil fuels and enable deployment of wind energy and other renewables on a massive scale.

SIEMENS GAMESA PROGRESS AND PERFORMANCE

So, the wind energy industry has short term headwinds but long term potential.

And this situation is clearly visible in Siemens Gamesa's performance in 2019 and what we have seen so far in 2020. Andreas will shortly provide a detailed analysis of the company's activities and financial performance during fiscal 2019, but allow me briefly to share my perspective.

On the one hand we can clearly see the very strong demand for wind turbine generators and services. This is evident in the company's record order intake and backlog, which stood at €25.5bn at the end of the year and at €28.6 bn in the second quarter of 2020 fiscal year.

The emergence of projects in US, such as preferred supplier agreement with Dominion for the 2.6GW offshore projects, as well as about 2GW of orders in Taiwan and the first onshore wind project in Djibouti, point to a healthy market that is diversifying geographically.

And while we were pleased to be able to report in November that the company had met its market guidance forecasts for profitability for the year, it is clear that profitability continues to be highly challenging.

Fiscal 2020 has been very challenging. We have faced the financial costs of difficult projects in the so called northern European pipeline. We have seen the rapid decline of the Indian market. And all of this compounded by Covid-19.

It was critical that we moved quickly to address the issues and believed that new management was essential to that task.

The most urgent task facing the new CEO is to drive the turnaround in the Onshore business unit, which continues to struggle in very difficult market conditions. Returning Onshore to profitability is essential to the long-term health of the whole company. Andreas can transfer the strong business practices of Offshore to the rest of the company and bring in a robust risk management process that will enable us to avoid some of the pitfalls we have seen in 2020.

I can assure you all that addressing profitability and delivering sustainable returns for shareholders will be a key focus for the board and the executive management of Siemens Gamesa.

In some areas, such as technology, we see encouraging process. In Onshore the new 5X turbine, which is among the most powerful on the market, received its first firm order. We have since added at least two more orders for this benchmark platform in both Sweden and Brazil. The introduction of this new turbine into the market is a critical element of the turnaround story for the Onshore business unit.

Indeed, a turn around plan is being implemented in our Onshore business to tackle a wide reaching set of initiatives, to optimize our product platforms, drive down structural costs, and launch best in class technology for the future, that will help the business begin to rise following the tough years in 2019 and 2020.

In Offshore, Siemens Gamesa continues to be the market leader. In late 2019, the unit launched its 11MW flex turbine along with a first agreement to install it. But the battle for large turbines is intense and in May 2020, the offshore team unveiled the world's largest and most powerful turbine: the Siemens Gamesa 14-222 DD Offshore Direct Drive wind turbine.

As in Onshore, we believe we have the right technology that will become reference points in their sectors. The company continued to lay the groundwork to develop in this regard. We are paving the way to lead a new drive in offshore energy – our experience and knowledge of the European market has helped us to develop a burgeoning industry in Taiwan. Double digit order growth in Offshore last year of 11% was also bolstered by another new market, the U.S.

Turning to the Service business, this was another year of great progress, and with an excellent 13% order book growth. Our footprint in this higher margin business sector for the wind industry will prove essential to help us navigate tough times in the industry. We are making considerable progress in our repowering business, which aims to modernize and update turbines that are reaching the end of their life.

And clearly another key milestone for the Service business was the addition of key European assets from Senvion, adding contracts and skilled technicians in markets in which we have traditionally not been strong such as Germany and France. The deal raises our fleet under maintenance by around 9 GW to a current 72 GW.

For this year, the priorities are clear: Improve our project execution, address areas of risk and initiate turnaround actions to improve profitability. We intend to hold our Capital Markets Day in August at which we will present a new three-year plan for the business.

GOVERNANCE ISSUES

We have been through a period of significant change, and I'd like to reflect on some of that from a Board of Directors perspective.

One key milestone over this year has been the recent sale of Iberdrola's stake in Siemens Gamesa to Siemens AG. I would sincerely like to thank our customer and previous shareholder Iberdrola for their cooperation over the years.

Another milestone has been the spin-off operation by Siemens AG which will result in a change of our shareholder control once as expected Siemens Energy is spun out of Siemens AG in September.

Neither of these two important milestones in the history of Siemens Gamesa in any way changes our commitment to Spain. Siemens Gamesa is based in Zamudio and continues to be a Spanish listed company.

And secondly and most importantly, it does not alter Siemens Gamesa's commitment with its stakeholders; among them its employees, customers, suppliers, the finance community, society in general, the environment, and in particular with our shareholders.

Your Board of Directors has always and will always act in the interests of the company and in turn all its shareholders, creating value for them regardless of who they are, and trying to provide them with sustainable growth and stable profits.

CONCLUSION

To conclude, and before I hand over to our CEO, let me reiterate three key points.

First – the threat posed to the world by climate change is now better understood and more accepted than it has ever been, and while the Covid crisis may temporarily obscure this, we believe now is the time to act and that the post crisis recovery can be stimulated by climate action. Wind energy is one of the very few proven solutions to the climate challenge, and it will play a key role in providing affordable, clean and sustainable energy for decades to come. The future of our industry is bright.

Secondly, Siemens Gamesa is going through a tough period is well positioned to help deliver that energy transition. The industry and the company is going through a difficult period, but I firmly believe that we are putting in place the elements required for long-term profitability and success. The management team and all the employees of Siemens Gamesa are working tirelessly on your behalf to deliver value for our shareholders and society.

Finally – please be reassured. While Siemens Gamesa is the most international of the wind energy manufacturers with global operations we are proud of our Spanish heritage and to be headquartered here in the Pais Vasco and will continue to be.

Eskerrik asko, thank you



Bilbao, 22 July 2020