

Audit Report on Financial Statements
issued by an Independent Auditor

SIEMENS GAMESA RENEWABLE ENERGY, S.A.
Financial Statements and Management Report
for the year ended
September 30, 2020



AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (the Company), which comprise the balance sheet as at September 30, 2020, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at September 30, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Investment in group and associated companies

Description Investments in group companies and associates must be assessed for impairment at least at year-end when there is objective evidence that the carrying amount of an investment could not be recovered. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to disposal, has been considered a Key audit matter as it requires a significant judgement valuing the relevant investments. Additionally, recoverable amounts are based on management's view of the business plans of the group and associated companies, considering, for all of them, the variables and market conditions such as future price and volume growth rates, the timing of future operating expenditure, and the most appropriate discount and long-term growth rates.

Information related to the accounting treatment of the investments in group and associated companies and the criteria for its impairment analysis, together with the main assumptions applied to the impairment tests, are disclosed in notes 3.H "Impairment of financial assets" and 9 "Long-term financial instruments" of the accompanying financial statements.

Our response Our audit procedures included, among others, the following:

- ▶ Assessment of the controls implemented by management on the valuation of investment in group and associated companies.
- ▶ Obtain the impairment tests prepared by management, assessing the reasonableness of the key assumptions used with the available external information.
- ▶ Furthermore, we reviewed the sensitivity analysis prepared by management on the key assumptions: average long-term growth rates and discount rates applied, reassessing the result obtained by management in its assessment
- ▶ Comparison of the investment value in group and associated companies against its net book value (equity), corrected by its tacit capital gains at the end of the year
- ▶ Review of the disclosures of information required in the financial statements

Other information: management report

Other information refers exclusively to the 2020 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the information contained in the management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

- a. A specific level applicable to the non-financial information statement, as well as certain information included in the Annual Corporate Governance Report, as defined in article 35.2 b) of the Audit Law 22/2015, which solely requires that we verify whether said information has been included in the management report or where applicable, that the management report includes the corresponding reference to the separate non-financial report as stipulated by prevailing regulations and if not, disclose this fact.
- b. A general level applicable to the remaining information included in the management report, which requires us to evaluate and report on the consistency of said information in the financial statements, based on knowledge of the entity obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided in the management report, and that the remaining information contained therein is consistent with the information provided in the 2020 financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issue to the audit committee on November 27, 2020.

Term of engagement

The ordinary general shareholders' meeting held on July 22, 2020 appointed us as auditors for 1 year, commencing on October 1, 2019.

Previously, we were appointed as auditors by the shareholders for 6 years and we have been carrying out the audit of the financial statements continuously since the year ended December 31, 2014.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signature on the original in Spanish)

Ana María Prieto González
(Registered in the Official Register of
Auditors under No. 18888)

November 27, 2020

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Financial Statements and Management Report for the
year ended September 30, 2020

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Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

SIEMENS GAMESA RENEWABLE ENERGY, S.A.
BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND 2019
Thousands of euros

ASSETS	Note	09.30.2020	09.30.2019 (*)	EQUITY AND LIABILITIES	Note	09.30.2020	09.30.2019 (*)
NON-CURRENT ASSETS		8,376,710	9,947,693	EQUITY	Note 12	7,016,969	8,211,399
Intangible assets	Note 7	85	163	Issued capital		115,794	115,794
Software		85	163	Capital reserve		8,613,935	8,613,935
Property, plant and equipment	Note 8	1,166	1,253	Reserves		1,261,888	1,117,974
Other installations, tooling and fixtures		1,082	941	Legal reserve		21,843	4,985
Other property, plant and equipment		84	312	Other reserves		1,240,368	1,112,989
Long-term investments in group companies and associates	Note 9	8,323,567	9,944,835	Reserve for adjustments for value change		(323)	-
Investments in group companies and associates		8,323,567	9,444,835	Treasury shares, at cost		(23,929)	(21,616)
Credits to group companies and associates	Note 18	-	500,000	Prior periods' losses		(1,783,270)	(1,783,270)
Long-term financial investments	Note 9	50,522	522	Result for the year		(1,167,449)	168,582
Guarantees and deposits given		50,522	522				
Deferred tax assets	Note 15	1,370	920	NON-CURRENT LIABILITIES		731,760	494,127
				Long-term debts		731,760	494,127
				Debt with financial institutions	Note 13	731,520	494,127
				Derivatives	Notes 13 and 14	240	-
CURRENT ASSETS		2,528,221	1,283,091	CURRENT LIABILITIES		3,156,202	2,525,258
Trade and other receivables		95,976	61,334	Short-term provisions		170	170
Receivables from group, associates and related companies	Notes 10 and 18	79,455	52,040	Short-term debts		3,138	979
Personnel	Note 10	179	47	Debt with financial institutions	Note 13	312	-
Current tax assets	Note 15	5,125	-	Derivatives	Notes 13, 14 and 18	2,826	979
Other receivables from Public Administrations	Note 15	11,217	9,247	Short-term payables to group companies and associates	Note 18	3,071,097	2,449,284
Short-term investments in group companies and associates	Notes 10 and 18	1,958,974	495,460	Trade and other payables		81,797	74,825
Credits to group companies and associates		1,958,974	495,460	Suppliers, group, associates and related companies	Note 18	35,826	33,481
Short-term financial investments	Notes 10, 14 and 18	-	1,497	Other payables		28,175	16,532
Derivatives		-	1,497	Personnel		16,269	12,052
Current accruals		2,131	2,305	Current tax liabilities	Note 15	-	11,546
Cash and cash equivalents	Note 11	471,140	722,495	Other payables with Public Administrations	Note 15	1,527	1,214
Cash		471,140	722,495				
TOTAL ASSETS		10,904,931	11,230,784	TOTAL EQUITY AND LIABILITIES		10,904,931	11,230,784

(*) Figures presented for comparative purposes only.
The accompanying Notes from 1 to 24 are an integral part of these Financial Statements.

Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

SIEMENS GAMESA RENEWABLE ENERGY, S.A.
STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Year ended 09.30.2020	Year ended 09.30.2019 (*)
CONTINUING OPERATIONS			
Revenue	Notes 17 and 18	371,476	318,765
Dividends from investments in group companies and associates		333,908	286,503
Income from credits to group companies and associates		37,568	32,262
Other operating income		61,621	34,849
Accessory and other current income	Note 17	61,621	34,849
Staff costs	Note 17	(55,374)	(36,886)
Wages, salaries and similar expenses		(46,316)	(30,032)
Social security costs		(9,058)	(6,854)
Other operating expenses	Note 17	(107,343)	(79,765)
External services		(107,335)	(79,738)
Taxes other than income tax		(8)	(27)
Depreciation and amortization	Notes 7 and 8	(429)	(500)
Impairment and losses on disposals of financial instruments in group companies and associates	Note 9	(1,445,072)	(54,723)
Impairment and losses on financial instruments of group company investments and associates		(1,451,467)	(54,723)
Gains (losses) on disposals and others		6,395	-
OPERATING RESULT		(1,175,121)	181,740
Financial income		38	-
Marketable securities and other financial instruments with third parties		38	-
Financial expenses		(8,935)	(14,134)
On debts with group companies and associates	Note 18	(962)	(2,676)
On debts with third parties		(7,973)	(11,458)
Exchange differences	Notes 14 and 17	422	1,501
FINANCIAL RESULT		(8,475)	(12,633)
RESULT BEFORE TAX		(1,183,596)	169,107
Income tax	Note 15	16,147	(525)
RESULT FOR THE YEAR FROM CONTINUING OPERATIONS		(1,167,449)	168,582
RESULT FOR THE YEAR		(1,167,449)	168,582

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.
STATEMENTS OF CHANGES IN EQUITY FOR THE
YEAR ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

A) STATEMENTS OF RECOGNIZED INCOME AND EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

	Year ended 09.30.2020	Year ended 09.30.2019 (*)
Result for the year	(1,167,449)	168,582
Income and expenses recognised directly in equity	-	-
Transfers to the Statement of Profit and Loss	-	-
Items that may be subsequently reclassified into Profit and Loss		
Derivative financial instruments	(425)	-
Tax effect	102	-
Other comprehensive income, net of taxes	(323)	-
TOTAL INCOME AND EXPENSES RECOGNIZED	(1,167,772)	168,582

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Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

SIEMENS GAMESA RENEWABLE ENERGY, S.A.
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

B) STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019

	Issued Capital	Capital reserve	Legal reserve	Voluntary reserves	Adjustments for value change	Treasury shares, at cost	Prior periods' losses	Result for the year	Total
Ending balance as of September 30, 2018 (*)	115,794	8,613,935	-	1,076,677	-	(20,343)	(1,783,270)	49,852	8,052,645
Total comprehensive income for the year ended September 30, 2019	-	-	-	-	-	-	-	168,582	168,582
Treasury shares transactions (Note 12.D)	-	-	-	2,084	-	(1,273)	-	-	811
Incentive Plan (Notes 9 and 12.E)	-	-	-	6,803	-	-	-	-	6,803
Dividends	-	-	-	-	-	-	-	(17,442)	(17,442)
Other changes in equity	-	-	4,985	27,425	-	-	-	(32,410)	-
Ending balance as of September 30, 2019 (*)	115,794	8,613,935	4,985	1,112,989	-	(21,616)	(1,783,270)	168,582	8,211,399
Total comprehensive income for the year ended September 30, 2020	-	-	-	-	(323)	-	-	(1,167,449)	(1,167,772)
Treasury shares transactions (Note 12.D)	-	-	-	2,442	-	(2,313)	-	-	129
Incentive Plan (Notes 9 and 12.E)	-	-	-	8,365	-	-	-	-	8,365
Dividends	-	-	-	-	-	-	-	(35,152)	(35,152)
Other changes in equity	-	-	16,858	116,572	-	-	-	(133,430)	-
Ending balance as of September 30, 2020	115,794	8,613,935	21,843	1,240,368	(323)	(23,929)	(1,783,270)	(1,167,449)	7,016,969

(*) Figures presented for comparative purposes only.

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.
STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND 2019
Thousands of euros

	Note	Period ended 09.30.2020	Period ended 09.30.2019 (*)
CASH FLOW FROM OPERATING ACTIVITIES (I)		238,034	190,076
Result before tax		(1,183,596)	169,107
Adjustments to result:			
- Depreciation and amortization	Notes 7 and 8	429	500
- Impairment losses	Note 9	1,445,072	54,723
- Changes in provisions		1,685	2,060
- Income from credits to group companies and associates		(37,606)	(32,262)
- Financial expenses		8,935	14,134
- Exchange differences		(422)	(1,501)
Change in working capital			
- Trade and other receivables		(34,642)	(19,576)
- Trade and other payables		34,078	10,149
- Current accruals		174	(1,567)
- Other current liabilities		-	(2,895)
Other cash flows from operating activities			
- Interests paid		(7,715)	(12,618)
- Interests collection		23,051	21,666
- Income taxes (payments) returns		(11,409)	(11,844)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		(367,388)	(304,159)
Payments due to investments			
- Group companies and associates		(317,124)	(303,957)
- Other financial assets		(50,000)	1
- Investments in intangible assets and property, plant and equipment	Notes 7 and 8	(264)	(203)
CASH FLOWS FROM FINANCING ACTIVITIES (III)		(125,684)	(202,575)
Receipts and payments for equity instruments			
- (Purchase) disposal of treasury shares	Note 12.D	129	811
Receipts and payments for financial liability instruments			
- Issue (amortization) of debts from financial entities and other financial liabilities		236,485	(685,787)
- Issue (amortization) of debts from group companies and associates		(327,146)	499,843
Dividend payments and remunerations of other equity instruments			
- Dividends	Note 12.C	(35,152)	(17,442)
IMPACT OF CHANGES IN EXCHANGE RATE (IV)		3,683	343
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(251,355)	(316,315)
Cash and cash equivalents at beginning of the year		722,495	1,038,810
Cash and cash equivalents at year end		471,140	722,495

(*) Figures presented for comparative purposes only.
The accompanying Notes from 1 to 24 are an integral part of these Financial Statements.

Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company. In the event of a discrepancy, the Spanish-language version prevails (Note 24).

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Notes to the Financial Statements for the year ended
September 30, 2020

1. Activities and corporate purpose

A. GENERAL INFORMATION

Siemens Gamesa Renewable Energy, S.A. (hereinafter “the Company” or “SIEMENS GAMESA”) was incorporated as a public limited liability company on January 28, 1976. Its corporate address is located at Parque Tecnológico de Bizkaia, Building 222, Zamudio (Bizkaia, Spain).

SIEMENS GAMESA specialises in the development and construction of wind farms, as well as the engineering solutions, design, production and sale of wind turbines. The corporate purpose of the Company is to promote and foster companies, and to do so it may carry out the following operations:

- a) The subscription and purchase of shares or stocks, or of securities that can be converted into these, or which grant preferential purchase rights of companies whose securities are listed or not in national or foreign stock exchanges;
- b) The subscription and purchase of fixed-income securities or any other securities issued by companies in which they hold a stake, as well as the granting of participatory loans or guarantees; and
- c) To directly provide advisory services and technical assistance to the companies in which it holds a stake, as well as other similar services related to the management, financial structure, and production or marketing processes of those companies.

These activities will focus on the promotion, design, development, manufacture and supply of products, installations and technologically advanced services in the renewable energy sector.

All the activities comprising the aforementioned corporate purpose can be undertaken both in Spain and abroad and can be carried out completely or partially, in an indirect manner, through the ownership of shares or stocks in companies with the same or similar purpose.

The Company will not undertake any activity for which the laws require specific conditions or legal limitations, unless these conditions or limitations are exactly fulfilled.

The SIEMENS GAMESA Financial Statements for the year ended September 30, 2020 have been issued for approval by the Directors in the Board of Directors held on November 27, 2020.

Additionally, the Company is the parent of a group of subsidiaries and in accordance with current legislation it is required to prepare separate Consolidated Financial Statements. The Consolidated Financial Statements of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter “SIEMENS GAMESA Group”) for the year ended September 30, 2020 have been issued for approval by the Directors at the Board of Directors held on November 27, 2020.

The Company's Bylaws and other public information of the Company are available on the website www.siemensgamesa.com and at its corporate address.

SIEMENS GAMESA prepares and reports its Financial Statements in thousands of euros. Due to rounding, numbers presented may not add up precisely to the provided totals.

B. ACQUISITION OF THE EUROPEAN ONSHORE SERVICES BUSINESS AND THE WIND TURBINE BLADE PRODUCTION BUSINESS OF SENVION

On October 20, 2019, Senvion GmbH i.L. and Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal (S.L. Unipersonal, hereinafter, “S.L.U.”) signed an Investment Agreement to acquire the operation and maintenance business in Europe (Senvion Deutschland GmbH) and certain assets of the wind turbine blade production business (Ria Blades, S.A.) from Senvion.

On January 9, 2020, Siemens Gamesa Renewable Energy Eólica, S.L.U. acquired all the shares of Senvion Deutschland GmbH (Senvion European Onshore Services), the entity which owns the carved-out European onshore service business of Senvion and certain additional assets associated to the business, including certain related intellectual property.

On April 30, 2020, Siemens Gamesa Renewable Energy, S.A. (hereinafter, “SGRE Portugal”) acquired all the shares of Ria Blades, S.A., the entity which owns and operates a wind turbine blades production facility in Vagos (Portugal) and certain additional assets associated to said business.

The shares have been transferred free of any security, encumbrances or charges of any nature whatsoever.

These acquisitions have been consummated after the fulfilment of all the closing conditions, such as the consent of the competent authorities, the implementation of the carve-out, the completion of full security release and the operational readiness of the relevant target entities.

These acquisitions are in line with SIEMENS GAMESA’s strategy to grow its multibrand service business and its production capacities and strengthens SIEMENS GAMESA’s competitive position in Europe. The relevant information about these business combinations of SIEMENS GAMESA Group can be found in Notes 1B and 4 of the Consolidated Financial Statements for the the year ended September 30, 2020.

The transactions costs amounted to EUR 13 million, booked principally in SIEMENS GAMESA, which have been expensed and are included under the heading “Other operating expenses – External services” of the Statement of Profit and Loss (Note 17).

C. DIVESTMENT OF IBERDROLA PARTICIPACIONES S.A. UNIPERSONAL

On February 4, 2020, Iberdrola Participaciones, S.A. Unipersonal (hereinafter, “Iberdrola Participaciones”) – a company fully owned by Iberdrola S.A. (hereinafter, “Iberdrola”) – and Iberdrola have entered into an agreement (hereinafter, the “Agreement”) with Siemens Aktiengesellschaft (hereinafter, “SIEMENS”) (SIEMENS and, together with Iberdrola Participaciones and Iberdrola, hereinafter, the “Parties”) for the sale of the entire stake held by Iberdrola Participaciones in SIEMENS GAMESA, representing 8.071% of its share capital.

The price for the transaction has been EUR 1,099,546 thousand, which equals to EUR 20 per share in SIEMENS GAMESA and whose sale and purchase has been effective as of February 5, 2020. This price has not been subject to any adjustment.

Taking into consideration that as consequence of the Agreement Iberdrola Participaciones has ceased to be a shareholder of SIEMENS GAMESA, the Parties have terminated the shareholder agreement (*pacto parasocial*) entered into by them on June 17, 2016 without any compensations or claims between them or their respective associated entities. Accordingly, the proprietary director of Iberdrola has resigned from his position as director of the Board of Directors of SIEMENS GAMESA.

In addition, Iberdrola, Iberdrola Participaciones and SIEMENS have agreed to fully waive any claim or action against each other or any entity of their respective groups, and Iberdrola as well as Iberdrola Participaciones have undertaken to withdraw, render without effect and desist from all existing claims and proceedings initiated against SIEMENS GAMESA. The Parties, have reciprocally undertaken that for a period of 24 months: neither Iberdrola nor any entity of its group will acquire financial instruments (including shares) in SIEMENS, SIEMENS GAMESA or any entity of their respective groups; and neither SIEMENS nor any entity of its group will acquire financial instruments (including shares) in Iberdrola or any entity of its group.

Finally, Iberdrola, SIEMENS and SIEMENS GAMESA have entered into a separate collaboration agreement for an initial period of 6-months to strengthen and expand their current commercial business relationships regarding certain areas on renewable energy and networks businesses, with a special focus on onshore and offshore wind generation, digital grid and load management.

D. SIEMENS ENERGY AG

SIEMENS AG (hereinafter, "SIEMENS"), on May 7, 2019 announced a Significant Event where, amongst others, it disclosed certain plans with respect to its stake in SIEMENS GAMESA:

- SIEMENS has decided to legally separate the worldwide operations of Gas and Power of SIEMENS Group;
- and to transfer the shares held by SIEMENS Group of approximately 67% in SIEMENS GAMESA to SIEMENS ENERGY AG (hereinafter, "SIEMENS ENERGY") the shares of which, are listed since September 28, 2020 on the Frankfurt Stock Exchange (hereinafter, "Spin-off process and transfer agreement").

Spin-off process and transfer agreement

SIEMENS ENERGY is to be managed as an entity that is legally and organizationally independent of SIEMENS. In that context, SIEMENS intends to retain a (direct and indirect) minority interest in the listed SIEMENS ENERGY as its non-controlling anchor shareholder initially with a total share in its capital stock of 45%, of which, 9.9% of the capital stock has been transferred to Siemens Pension-Trust e.V. With the strategic and operational development of SIEMENS ENERGY, SIEMENS intends to reduce its stake in the amount of 35.1% significantly in a timeframe of 12-18 months after the Spin-off taking effect. The remaining shares in SIEMENS ENERGY have been transferred to the shareholders of SIEMENS by way of a Spin-off in accordance with the German Transformation act (*Umwandlungsgesetz*). After the Spin-off effective date (September 25, 2020), the shares in SIEMENS ENERGY have been admitted to trading on the Frankfurt Stock Exchange.

E. ENVIRONMENTAL INFORMATION

In view of the business activities carried out by SIEMENS GAMESA, it does not have any environmental responsibilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Therefore, SIEMENS GAMESA does not include any specific disclosures relating to environmental matters in the accompanying Financial Statements.

2. Basis of presentation of the Financial Statements

A. FINANCIAL REPORTING LEGISLATION APPLICABLE TO THE COMPANY

These Financial Statements have been prepared by the Company's Directors in accordance with the Spanish General Accounting Plan, approved by the Royal Decree 1514/2007 of November 16, which was modified in 2016 by the Royal Decree 602/2016 of December 2, as well as other applicable mercantile legislation.

The Financial Statements have been issued by the Company's Directors for its submission to the approval of the General Shareholders' Meeting, and it is expected that they will be approved without any modification.

B. TRUE AND FAIR VIEW

The accompanying Financial Statements have been prepared on the basis of the Company's accounting records and are presented in compliance with the applicable financial reporting legislation, particularly the accounting standards and policies established therein, so as to provide a true and fair view of the equity and financial position of the Company, of its financial performance and its cash flows, occurred during the corresponding fiscal year.

C. NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED

No non-mandatory accounting principles have been applied. In addition, the Directors have prepared these Financial Statements taking into account all applicable accounting principles and standards that are mandatory and have a significant effect on these Financial Statements.

There is no accounting principle that being mandatory, had not been applied.

D. COMPARATIVE INFORMATION

In accordance with the current mercantile legislation, the Financial Statements are shown together with comparative information in respect of the prior period for all amounts reported in the current period's Financial Statements.

The notes to the Financial Statements also include quantitative information from the prior financial year, except when an accounting regulation specifically provides that it is not necessary.

E. GOING CONCERN ASSUMPTION

As of September 30, 2020, the Company has a negative working capital amounting to EUR 627,981 thousand (EUR 1,242,167 thousand as of September 30, 2019) mainly due to "Short-term payables to group companies and associates" amounting to EUR 3,071,097 thousand (EUR 2,449,284 thousand as of September 30, 2019) (Note 18). Additionally, in the year 2020, the Company has had negative results amounting to EUR 1,167,449 thousand (positive result of EUR 168,582 thousand in the year 2019), caused mainly by the portfolio impairment detailed in the Note 9.

The Company states that its negative working capital will be covered by the generation of positive cash flows from the businesses of SIEMENS GAMESA Group and the dividends from its subsidiaries. Additionally, the Company's liquidity needs are guaranteed at all moments through credit lines (Note 13). Finally, the Company's Directors have prepared the Annual Accounts following the going concern assumption as it is their understanding that the future perspectives of the Company's and the Group's business will allow obtaining positive results and positive cash flows in the next years.

F. GROUPING OF ITEMS

For the purposes of easing the understanding of the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows, these Financial Statements are presented in a grouped format and all required analysis are set out in the Notes to the Financial Statements.

G. FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in euros, which is SIEMENS GAMESA's functional currency. All amounts have been rounded to the nearest EUR thousand, unless stated otherwise.

Transactions denominated in currencies other than the euro are recognized in accordance with the policies described in Note 3.U.

3. Main accounting policies

The main accounting and measurement policies followed by SIEMENS GAMESA for the preparation of the Financial Statements, in accordance with those stipulated in the Spanish General Accounting Plan, are as follows:

A. STATEMENT OF CASH FLOWS

SIEMENS GAMESA presents the Statement of Cash Flows using the indirect method, whereby net profit or loss is adjusted by the non-monetary transactions, by all deferred payments and accumulations (or accruals) that are caused by past or future collections and payments, as well as profit and loss items associated to cash flows of operations classified as investing or financing activities.

The following terms are used in the Statement of Cash Flows with the meanings as specified below:

- Cash flows: Inflows and outflows of cash and cash equivalents.
- Cash equivalents: Short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to a not significant risk of changes in value.
- Operating activities: SIEMENS GAMESA´s main revenue-producing activities as well as other activities that are not related to investing or financing activities.
- Investing activities: The acquisition, sale or disposal through other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that result in changes in the size and composition of the contributed equity and of borrowings of the Company.

B. BUSINESS COMBINATIONS

The acquisition cost of the identifiable acquired assets and the assumed liabilities (including contingent liabilities) is measured at their acquisition-date fair values.

In a business combination, the estimates of the acquisition-date fair values are based on judgements and are determined by using certain measurement techniques, which are also supported by independent third-party appraisers. The measurement period, which is the period after the acquisition date in which the acquirer can adjust the provisional amounts recognized in the business combination, provides to the acquirer a reasonable period of time to obtain the necessary information to identify and measure, at the acquisition-date, among others, the identifiable acquired assets, the assumed liabilities, the consideration transferred or the resulting Goodwill.

C. CLASSIFICATION OF CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications on its Balance Sheet. Current assets and liabilities are those which meet the following criteria:

- Assets are classified as current when they are expected to be realized, or are intended for sale or consumption within the company's normal operating cycle, when they are held primarily for the purpose of being traded, when they are expected to be realized within twelve months after the Balance Sheet date, or when they constitute cash or a cash equivalents, unless they are restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.
- Liabilities are classified as current when they are expected to be settled within the company's normal operating cycle, when they are held primarily for the purpose of being traded, when they are due to be settled within twelve months after the Balance Sheet date, or when the Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the Balance Sheet date.

Financial liabilities are classified as current when they are due to be settled within twelve months after the Balance Sheet date, even if the original term was for a period longer than twelve months if an agreement to refinance, or to restructure long-term payments exists, which is entered into after the Balance Sheet date and before the Financial Statements are authorized for issue.

D. INTANGIBLE ASSETS

As a general rule, intangible assets are initially recognized at acquisition or production cost and subsequently are measured at cost, less accumulated amortization and accumulated impairment loss (Note 7), if any, in accordance with the criteria mentioned in Note 3.F.

Software

The Company records under this heading the costs incurred on the acquisition and development of software. Software maintenance costs are recorded in the Statement of Profit and Loss of the year in which they are incurred. Software is amortised on a straight-line basis over a period of three years.

E. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recognized at acquisition price or production cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses (Note 8), if any, in accordance with the criteria mentioned under Note 3.F. In addition to the purchase price, acquisition costs include non-recoverable indirect taxes and any other cost directly attributable to bringing the asset to the condition necessary for it to operate as intended, such as transportation costs and start-up costs (including borrowing costs incurred during the construction period).

Upkeep and maintenance expenses are recognized in the Statement of Profit and Loss for the year in which they are incurred. However, the costs of improvements leading to increase in capacity or efficiency or to a lengthening of the useful life of the assets are capitalised.

The Company depreciates the property, plant and equipment on a straight-line basis according to annual depreciation percentages calculated based on the asset's useful life, in accordance with the following detail:

	Estimated useful life
Other installations and furniture	6 – 10
Tooling	3 – 4
Other elements of property, plant and equipment	3 – 5

F. IMPAIRMENT OF ASSETS

At least at the end of each reporting period, the Company assesses whether there is any indication that items of intangible assets or, if applicable, a cash-generating unit, may be impaired and, in such case, the recoverable amounts are estimated.

If there is objective evidence that the carrying amount is not recoverable, the relevant value adjustments are recognized for the difference between the book value and the recoverable amount, understood as the higher of its fair value less costs to sell and the present value of the cash flows from the investment.

Whenever “Intangible assets” and “Property, plant and equipment” have to be tested for impairment, the assessment of the recoverable amount of the assets involves the use of estimates chosen by the Management, which may have a substantial impact on the respective values and, ultimately, on the amount of impairment.

G. FINANCIAL ASSETS

Classification and measurement

Loans and receivables

The Company recognizes trade and non-trade receivables under this heading, which includes financial assets with fixed or determinable payments not quoted on active markets and for which the Company expects to recover the full initial investment, except, where applicable, for reasons of credit deterioration.

They are initially measured on the Balance Sheet at fair value, which, in the absence of evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

After the initial recognition, these financial assets are subsequently measured at amortized cost.

Nevertheless, trade receivables which mature within less than one year and with no contractual interest rate, as well as advances and loans to personnel, receivable dividends and called-up payments on equity instruments, the amount of which is expected to be received in the short-term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting the cash flows is not significant.

The difference between the fair value and the amounts paid for operating lease security deposits is considered as an advance lease payment and is recognized in the Statement of Profit and Loss over the lease term. When estimating the fair value of the security deposits, the minimum contractual term during which the amount may not be reimbursed is considered as the remaining period.

Investments in the equity of group companies, joint ventures and associates

This category includes equity investments in companies in which the entity exercises control (group companies), joint control via bylaw resolutions or contractual arrangements with one or more partners (joint ventures), or has significant influence (associates).

They are initially measured on the Balance Sheet at fair value, which in the absence of evidence to the contrary is the transaction price, which is equivalent to the fair value of the consideration transferred plus directly attributable transaction costs.

Investments in group companies are recognized, where applicable, based on the criteria included in the accounting regulation for transactions with group companies (Note 3.T).

When an investment is classified as an investment in a group company, joint venture or associate, the cost of the investment will be considered as the book value the investment should have immediately before the investment is classified as such. Where applicable, previous value adjustments associated with this investment recognized directly in equity will remain there until the investment is either sold or impaired.

Initial measurement includes preemptive and similar rights acquired.

After their initial recognition, equity investments are subsequently measured at cost less any accumulated impairment.

Where preferential subscription or similar rights are sold or separated for the purpose of exercising them, the cost of these rights decreases the carrying amount of the respective assets.

SIEMENS GAMESA has majority stakes in the share capital of certain companies and has stakes that are equal to or exceed 20% of the share capital in others (Appendix). These Financial Statements do not reflect the effect that would result from applying consolidation criteria or from applying the equity method, as appropriate. In addition, as a company whose shares are listed on a stock market, SIEMENS GAMESA has presented its Consolidated Financial Statements for the year ended September 30, 2020 in accordance with International Financial Reporting Standards. Note 9.C indicates the effect that the application of consolidation criteria in accordance with International Financial Reporting Standards would have on the amounts included in these Financial Statements.

Hedging derivatives

This category includes derivatives classified as hedging instruments. Financial instruments which have been designated as hedging instruments are measured as indicated in Note 3.M.

As of September 30, 2020 and 2019 the Company has no derivative financial assets recognized under the application of hedge accounting.

Derecognition

Financial assets are derecognized from the Company's Balance Sheet when the contractual rights related to the cash flows of the financial asset have expired or when the assets are transferred, provided that the related risks and rewards incidental to ownership are substantially transferred.

If the Company has not substantially transferred or retained the risks and rewards incidental to ownership of the financial asset, it is derecognized when control over the asset is not retained. If control over the asset is retained, the

Company continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing the associated liability as well.

The gain or loss on derecognition of the financial asset is determined as the difference between the consideration received net of attributable transaction costs, including any new asset obtained less any liability assumed, and the carrying amount of the financial asset, plus any accumulated amount recognized directly in equity. The gain or loss is recognized in the Statement of Profit and Loss for the reporting period in which it arises.

The Company does not derecognize financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, factoring with recourse, sales of financial assets with an agreement to repurchase them at a fixed price or at the sale price plus interest, and securitizations of financial assets whereby the Company retains subordinated financing or another type of guarantee that absorbs substantially all expected losses. In these cases, the Company recognizes a financial liability at an amount equal to the consideration received.

Interests and dividends received from financial assets

Interests and dividends accrued on financial assets after acquisition are recognized as income in the Statement of Profit and Loss. Interests are recognized using the effective interest rate method and dividends are recognized when the right to receive them is established.

On the initial measurement, accrued explicit but not matured interests receivable at measurement date and the dividends approved by the competent governing body up to the date of the acquisition, are recognized separately based on maturity. Explicit interests refer to the interest obtained by applying the financial instrument's contractual interest rate.

In addition, when distributed dividends are derived clearly from profit generated prior to the acquisition date given that the amounts of distributed dividends exceed the profit generated by the investment since acquisition, the dividends are not recognized as income and are deducted from the carrying amount of the investment.

H. IMPAIRMENT OF FINANCIAL ASSETS

The carrying amount of financial assets is adjusted with a charge in the Statement of Profit and Loss when there is objective evidence of an impairment loss.

To determine impairment loss of financial assets, the Company assesses the potential loss of individual as well as groups of assets with similar risk characteristics.

Debt instruments

There is objective evidence that debt instruments, understood as trade receivables, credits, and debt securities, are impaired when an event has occurred after the initial recognition of the instrument that has a negative impact on its related estimated future cash flows.

The Company classifies as impaired assets (doubtful assets) debt instruments for which there is objective evidence of impairment, which refers basically to the existence of unpaid balances, breach of commitments, refinancing, and the existence of information that evidences the possibility of not recovering the total agreed-upon future cash flows or the occurrence of delays in collection.

For financial assets measured at amortized cost, impairment losses are measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at initial recognition on the financial asset. For financial assets with floating interest rates, the effective interest rate at the Balance Sheet date is used. The market value is used instead of the present value of estimated future cash flows in the case of quoted instruments, provided that it is considered sufficiently reliable.

Reversals of impairment are recognized as income in the Statement of Profit and Loss up to the limit of the carrying amount of the financial asset that would have been recorded at the reversal date if the impairment loss had not been recognized.

Equity instruments

There is objective evidence that equity instruments are impaired when one or more events have occurred after their initial recognition which indicate that the cost of the investment in equity instruments may not be recovered due to a prolonged or significant decline in fair value. In this respect, the Company considers equity instruments to be impaired after a decline of a year and a half and of 40% of their quoted price with no recovery in value.

For equity instruments measured at cost and included in "Investments in group companies and associates," the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the present value of future cash flows from the investment. In line with this, the Company calculates the future cash flow's present value of these investments by reference to the mentioned entities' budget for coming years (strategic plans). In determining that value, and provided that the investee participates in turn in other companies, the value derived from such interests is also taken into account (that is, the consolidated value of the investee, including its own interests in group and jointly controlled companies and associates). Unless better evidence is available, impairment of this type of asset is estimated based on the subsidiary's equity adjusted for any unrealised capital gains existing on the measurement date. In the case of investments in group companies, jointly controlled companies and associates, the reversal of any impairment loss is recognized in the Statement of Profit and Loss and is limited to the carrying amount of the investment at the date of reversal if no impairment had been recognized.

I. CASH AND CASH EQUIVALENTS

This Balance Sheet heading includes cash at hand, bank accounts and, as the case may be, any deposits and assets acquired under repurchase agreements that meet all of the following requirements:

- Convertible into cash.
- At the time of acquisition, the maturity date did not exceed three months.
- They are not subject to a significant risk of changes in value.
- They are part of the Company's normal cash management policy.

J. EQUITY AND TREASURY SHARES

Share capital consists of ordinary shares.

The costs of issuing new shares are charged directly against "Equity", as a reduction in reserves.

In the event that the Company acquires treasury shares, the price paid, including any directly attributable incremental cost, is deducted from "Equity" until the treasury shares are redeemed, reissued or sold. When these treasury shares are afterwards sold or reissued, any amount received is included in "Equity" net of directly attributable incremental costs (Note 12.D).

K. SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at the fair value of the equity instruments at grant date. This fair value is expensed on a straight-line basis over the vesting period, based on SIEMENS GAMESA estimate of the shares that will ultimately be delivered and credited to "Equity" (Note 12.E).

Fair value is measured using the market prices available on the measurement date, taking into account the terms and conditions upon which those equity instruments were granted.

If a grant of equity instruments is cancelled or settled during the vesting period (for a reason other than a grant cancelled by forfeiture when the vesting conditions are not met), SIEMENS GAMESA accounts for the cancellation or settlement as an acceleration of the vesting and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

For cash-settled share-based payments, a liability equal to their current fair value determined at the end of each reporting period is recognized.

SIEMENS GAMESA has made certain assumptions in order to calculate the liability arising from the obligations with employees. The fair value of those financial instruments granted as share-based payments (Note 12.E) that are not traded in an active market is determined by using measurement techniques. The company uses judgments to select a series of methods and to make assumptions, that are mainly based on the market conditions existing at each Balance Sheet date. Changes in these assumptions would not have a significant impact on these Financial Statements.

In the cases in which SIEMENS GAMESA grants own shares to subsidiaries to make payment with these instruments to employees, the counterpart of the fair value entry for the delivered equity instruments is considered to be an increase in the value of the investment that SIEMENS GAMESA has in the subsidiary, unless it is not likely that profits or financial yields will be obtained, in which case it would be an expense (Note 12.E).

L. FINANCIAL LIABILITIES

Classification and measurement

Loans and other payables

Loans and other payables include payables from trading and non-trading transactions, with fixed or determinable payments that are not quoted in an active market, and that are not classified in another financial liability category.

They are initially measured in the Balance Sheet at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

After their initial recognition in the Balance Sheet, those financial liabilities are measured at amortized cost. Interests accrued are recognized in the Statement of Profit and Loss using the effective interest rate method.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate, as well as called-up payments on equity instruments, the amount of which is expected in the short-term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting the cash flows is not significant.

In guarantee deposits received for operating leases, the difference between the fair value and the amount received is considered an advance lease payment and is recognized in the Statement of Profit and Loss over the lease term. When estimating the fair value of guarantee deposits, the remaining period is considered to be the minimum contractual term.

Hedging derivatives

This category includes derivatives classified as hedging instruments. Financial instruments which have been designated as hedging instruments are measured as indicated in Note 3.M.

As of September 30, 2020 the Company has interest rate derivatives recognized under hedge accounting (Note 13). As of September 30, 2019, the Company had no interest rate derivatives recognized under hedge accounting.

Derecognition

The Company derecognizes a financial liability when the obligation under the liability is extinguished.

When debt instruments are exchanged with a lender, provided that their contractual terms are substantially different, the original financial liability is derecognized, and the new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same manner.

The difference between the carrying amount of the financial liability or part of the financial liability that has been derecognized and the amount paid to extinguish the liability, including attributable transaction costs and any asset transferred other than cash or liability assumed, is recognized in the Statement of Profit and Loss for the period.

When the debt instrument is replaced by another on terms that are not substantially different, the original liability is not derecognized from the Balance Sheet, and the carrying amount is adjusted for the fees paid. The new amortized cost of the financial liability is calculated using the effective interest rate, which is the discount rate that equals the carrying amount of the financial liability at the modification date with the cash flows payable under the new terms.

Accordingly, the contractual terms are considered to be substantially different when the same lender granted the original loan and the present value of the cash flows from the new financial liability, including net commissions, differs by at least 10% from the present value of the outstanding cash flows of the original financial liability, discounting both by the effective interest rate of the original liability.

M. HEDGE ACCOUNTING

The Company enters into hedge transactions of foreign exchange risk of receivables in foreign currencies.

Transactions are only designated as hedge accounting when they effectively eliminate any risk inherent to the hedged item or position throughout the forecasted duration of the hedge, which implies that at the inception of the hedge it is expected to be highly effective (prospective effectiveness) and that there is sufficient evidence that the hedge has proven itself effective throughout the life of the hedged item or position (retrospective effectiveness).

Hedging transactions are properly documented, including how the achievement and measurement of its effectiveness is expected to be obtained, in accordance with the risk management policy of the Company.

The hedge effectiveness is measured by testing that the differences arising from changes in the value of the hedged item and the corresponding hedging instrument remain within a range of 80% to 125% over the remaining term to maturity and comply with forecasts established at the related contract dates.

If at any time this range is breached, hedging transactions cease to be treated as hedge accounting and are reclassified as held-for-trading derivatives.

For measurement purposes, the Company classifies hedging transactions in the following categories:

- **Fair value hedges:** Hedges of the exposure to changes in the fair value of a recognized asset or liability, or unrecognized firm commitment, or an identified portion thereof, that is attributable to a particular risk and could affect the Statement of Profit and Loss. Changes in value of the hedging instrument and the hedged item attributable to the hedged risk shall be recognized in the Statement of Profit and Loss.
- **Cash flow hedges:** Hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, provided it can have an effect on the Statement of Profit and Loss. A hedge of the foreign currency risk of a firm commitment may be accounted for as a cash flow hedge. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall temporarily be recognized in equity and allocated to the Statement of Profit and Loss in the reporting period or periods in which the forecast hedged transaction affects profit or loss, except where the hedge relates to a forecast transaction that requires recognition of a non-financial asset or liability. In the latter case, the amounts recognized in equity shall be included in the cost of the asset or liability when it is acquired or assumed.

N. ESTIMATION OF FAIR VALUE

The fair value of the financial instruments traded in active markets is based on the market prices at the Balance Sheet date. The listed market price used for financial assets is the ordinary purchase price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and develops assumptions that are based on market conditions existing at each Balance Sheet date. For long-term debt market prices or agent quotation prices are used. Other techniques, such as the discounting of estimated cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The fair value of forward foreign exchange contracts is determined using listed forward exchange market rates at the Balance Sheet date.

The carrying amounts of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

O. PROVISIONS AND CONTINGENCIES

A distinction is drawn between:

- **Provision:** A present obligation (legal or constructive) as a consequence of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- **Contingent liability:** A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the company; or possible obligations, whose occurrence is unlikely or whose amount cannot be reliably estimated.

The Financial Statements include all material provisions for which it is considered likely that the obligation will have to be settled and whose amount can be measured reliably. Contingent liabilities are disclosed, but not recognized in the Financial Statements, except for those arising from business combinations.

Provisions are recognized based on the best estimate of the expenditure that will be required to settle the present obligation at the end of the reporting period. Provisions are fully or partially reversed when the obligations cease to exist or are reduced, respectively.

Provisions are recognized when the obligation arises, with a charge to the relevant heading in the Statement of Profit and Loss based on the nature of the obligation. Provisions are recognized at the present value of the expected expenditure, when the effect of the time value of money is significant.

Provisions are stated at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available regarding the event and its consequences, and recognizing those adjustments that arise from the financial update of those provisions as a financial expense as they accrue.

The compensation to be received from a third party on settlement of the obligation is recognized as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalized as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognized.

P. SEVERANCE PAYMENTS

In accordance with prevailing legislation, SIEMENS GAMESA is obliged to pay a compensation to employees with whom, under certain conditions, the employment relationship is terminated. Reasonably quantifiable severance payments are therefore recognized as an expense in the year in which the decision to terminate employment is made and communicated. During the period ended September 30, 2020 and 2019 a total of EUR 7,745 thousand and EUR 3,285 thousand have been recognized, respectively, as severance payments and for contract termination compensations (Note 17.C).

Q. CORPORATE INCOME TAX

The Company is subject to the consolidated tax regime, as the Parent Company of a consolidated group of the Tax Authority of Bizkaia (*Hacienda Foral de Bizkaia*) (Note 15).

The expense or income for Corporate Income Tax comprises the part that corresponds to the current tax expense or income and the part that corresponds to the deferred tax expense or income. Both the current and deferred tax income or expense is recorded in the Statement of Profit and Loss. However, the tax effect related to items that are recorded directly in "Equity" is recognized in "Equity".

The current tax is the amount that the Company settles as a result of the tax filings of the income tax relating to a fiscal year. The deductions and other tax benefits in the tax liability, excluding the withholdings and payments on account, as well as the tax loss carryforwards from previous years, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the cancellation and recognition of deferred tax assets and liabilities. These include the temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of the assets and liabilities and their tax value, as well as the tax loss carryforwards pending to be compensated and the tax credits not applied. These amounts are recorded at the tax rate at which they are expected to be recovered or settled.

Under the liability method, temporary differences that arise from assets or liabilities are the difference between the tax base of an asset or liability and its carrying amount in the Balance Sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

Deferred tax liabilities will be recognized for all taxable temporary differences, except those deriving from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax base nor the accounting result and is not a business combination.

Deferred tax assets are only recognized to the extent that it is considered probable that the Company and/or the Tax Group to which it belongs will have taxable profits in the future against which the deferred tax assets can be utilized.

At each reporting period end, recognized deferred tax assets will be reconsidered and all appropriate adjustments will be made to the extent that there are any doubts regarding future recovery. Deferred tax assets not recognized in the Balance Sheet are also reviewed at each reporting period end in order to recognize the extent to which it is likely that they may be offset against future taxable profits.

R. INCOME AND EXPENSES

Income and expenses are recorded on an accrual basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred, rather than the period in which the cash is actually received or disbursed. Such income is measured at the fair value of the consideration received, less any discounts and taxes.

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the Balance Sheet date, provided the outcome of such rendering can be estimated reliably.

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder's right to receive payment has been established. In any event, interest and dividends from financial assets accrued after the time of acquisition will be recognized as revenue in the income statement. Notwithstanding the foregoing, if distributed dividends arise from results generated prior to the acquisition date, they will be not recognized as an income, but decreasing the carrying amount of the investment.

The incomes obtained by the company referred to "Dividends from investments in group companies and associates" and "Income from credits to group companies and associates" are presented as part of "Revenue" pursuant to consultation no. 2 in issue 79 of the Official Gazette of the Spanish Accounting and Audit Institute (*Boletín Oficial del Instituto de Contabilidad y Auditoría de Cuentas*) published on September 30, 2009. According to this consultation, a line item should also be created within the operating margin with the needed subdivisions to reflect the valuation adjustments for impairment in the different financial instruments associated to its activity, as well as the losses and expenses incurred due to its derecognition or valuation at fair value (Note 9).

S. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The Company only has leases of the latter type (Note 17.D).

Incomes and expenses arising from operating leases are recognized in the Statement of Profit and Loss in the reporting period in which they accrue.

Any payment received or made on entering into an operating lease is treated as revenue received in advance or a prepaid lease payment that is accrued over the lease term in accordance with the pattern of economic benefits transferred or received.

T. TRANSACTIONS AND BALANCES WITH RELATED-PARTIES

Transactions between group companies are initially recognized at fair value. Transactions are subsequently measured in accordance with applicable standards.

Transactions with group companies are recognized based on the above measurement and recognition criteria, except for mergers, spin-offs, and the contribution of an indirect or direct subsidiary, in which case the acquired assets are measured at their Consolidated Group carrying amounts. If consolidated values are not available, at the time of the contribution, applying the criteria set forth in the Code of Commerce and enacting regulations, the Company recognizes investments received through contributions in kind at the carrying amount prior to the recognition of the transaction on the separate Financial Statements of the contributing Company. Any resulting gains or losses are recognized in reserves.

The prices of transactions with related parties are duly documented so that the Company believes that it is not exposed to risks that would give rise to significant tax liabilities.

U. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

The Company's functional currency is the euro. As a result, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rates prevailing on the transaction dates.

At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are converted using the exchange rate at the Balance Sheet date. Any resulting gains or losses are recognized directly in the Statement of Profit and Loss in the reporting period in which they arise.

Non-monetary assets and liabilities which are measured at fair value and are denominated in foreign currency are translated at the exchange rates prevailing on the date on which the fair value was determined. Gains or losses that arise are taken to "Equity" or to the Statement of Profit and Loss following the same criteria used to recognize changes in fair value.

4. Financial Risk Management

Due to the nature of its activities, SIEMENS GAMESA is exposed to a variety of financial risks: (i) market risks, in particular foreign exchange risk, market price risk and interest rate risk, (ii) liquidity risk and (iii) credit risk. The aim of the Financial Risk Management is to identify, measure, monitor and mitigate those risks and their potential adverse effects on the operational and financial performance of SIEMENS GAMESA. The general conditions for compliance with the Financial Risk Management process are set out through policies approved by the Top Management. The identification, assessment and hedging of financial risks lies in the responsibility of each business unit. Although some of the risks listed below do not directly affect the Company, SIEMENS GAMESA may be affected indirectly, as these risks affect the companies that are part of its group.

A. MARKET RISK

a) Foreign exchange risk

SIEMENS GAMESA Group carries out transactions with international counterparties in the normal course of business, leading to incomes in currencies other than Euro, and to future cash flows generated by SIEMENS GAMESA Group's companies, that are denominated in a currency other than their functional currencies, and are therefore exposed to risks from changes in foreign currency exchange rates.

Foreign currency exchange rate exposure is partially balanced by purchasing of goods, commodities and services in local market currencies, where the business is being conducted, as well as by locating the production activities and other contributions along the supply chain in those local markets. Furthermore, to the extent possible, currency clauses are integrated into commercial contracts to transfer total or partially foreign currency risk to counterparts.

In the cases where it is not possible to apply the measures described above, SIEMENS GAMESA Group uses financial instruments to hedge for the remaining risk exposure, since its objective is to generate profits through business operations, and not by speculating with the exchange rate fluctuations (Note 14). For this purpose, the Group analyses the foreign currency exposure on its confirmed order backlog as well as on the planned and highly probable foreign currency transactions.

Due to the international set-up of the Group, cash flows are generated in numerous different currencies. The majority of foreign currency transactions of the Company are denominated in Sterling pounds, US dollars, Danish kroner and other currencies. According to SIEMENS GAMESA Group's general Foreign Exchange risk management framework, foreign currency risk has to be hedged within a band of at least 75% up to a maximum of 100%. The financial instruments used to hedge this risk are primarily foreign currency exchange forward contracts and foreign currency swaps (Note 14).

The equivalent value in euros of the monetary assets and liabilities denominated in currencies other than euro held by SIEMENS GAMESA as of September 30, 2020 and 2019 is as follows:

Currency	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
	Assets	Liabilities	Assets	Liabilities
Sterling pound	156,483	248,521	114,882	68,337
US dollar	51,105	178,244	104,760	190,479
Danish krone	57,577	962,966	35,891	704,651
Other currencies	13,700	85,143	11,360	95,661
Total	278,865	1,474,874	266,893	1,059,128

The equivalent value in euros of the main balances of SIEMENS GAMESA denominated in currencies other than euro, based on the nature of the items concerned, is as follows:

Nature of the balances	Equivalent value in thousands of euros			
	09.30.2020		09.30.2019	
	Assets	Liabilities	Assets	Liabilities
Receivables from group companies and associates	281	-	13	-
Short-term credits in group companies	153,033	-	124,528	-
Cash and cash equivalents (Note 11)	125,551	-	142,352	-
Short-term payables to group companies and associates	-	1,474,038	-	1,058,993
Suppliers, group companies and associates	-	21	-	67
Trade and other payables	-	815	-	68
Total	278,865	1,474,874	266,893	1,059,128

b) Market price risk

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

COVID-19

On December 31, 2019, China alerted the World Health Organisation (hereinafter, "WHO") of the new Covid-19 disease. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 the WHO characterized the public health emergency situation caused by the outbreak as a pandemic.

As Covid-19 has spread globally, rapidly increasing the number of infections, many countries have required companies to limit or suspend business operations mainly during the second and third quarter of fiscal year 2020 and implemented restrictions regarding movement of people and quarantine measures. Those partly remain in force ever since and have

extensively disrupted regular way of business with negative implications for international trade and production processes, global supply chain disruptions and demand shocks and a high uncertainty in the capital markets.

SIEMENS GAMESA Group is taking measures as to ensure business continuity selling, manufacturing, installing and servicing wind turbine generators for its customers worldwide. From the very beginning of this crisis (Covid-19), SIEMENS GAMESA Group activated the global crisis management and has established a task force dedicated to continuously monitor the impact and mitigation measures.

This task force has adopted processes to address the group's utmost priority of keeping its employees and their families safe and healthy, implementing a series of actions aimed at balancing the demands of health and safety with those of business activity. Such actions were developed in three workstreams: "Business Continuity", "People" (Health and Safety) and "Communication".

Actions in the area of "Business Continuity" are aiming at fully understanding the pandemic implications on SIEMENS GAMESA Group's value chain and developing and implementing appropriate responses to minimize impact on business. Such responses included expediting critical supplies and transportation, enforcing eligible contract terms towards customers and vendors, continuous optimization of production plans and active participation in developing local safety protocols to ensure safe production. Further the monitoring of the financial implications of the Covid-19 pandemic was developed and implemented as well.

The "Business Continuity" workstream was closely interacting with the "People" workstream. That workstream focused on the development and implementation of enhanced strict safety protocols for all work stations in offices, plants and wind farm sites, defined testing and quarantine strategies and related traceability systems for employees, suppliers and customers where work in presence was unavoidable. SIEMENS GAMESA Group extended its virtual collaboration capacity tremendously in terms of number of users and introducing state of the art workplace software in order to gain the capability to close down entire office locations and switch to its smart working environment. Following the pandemic developments data driven decisions are made for closing SIEMENS GAMESA Group locations for in presence work. For each location a multi-phase re-opening strategy is defined with reference to the development of pandemic key indicators for employees to return on a must-have basis.

All actions are accompanied by a broad communication plan developed and implemented in the "Communication" workstream. It entails a daily update on SIEMENS GAMESA Group's rating of the pandemic development, safety protocols, testing strategies and a real-time voluntary monitoring tool. All communication is utilizing effective means of communication utilizing digital channels mostly.

Despite all efforts, SIEMENS GAMESA Group faced various adverse effects in its business, financial position, results of operations and cash flows. The main impact of the pandemic during the second quarter to the fourth quarter of 2020 was due to:

- Delays in executing projects in the Wind Turbines segment, which pushed part of the activity to fiscal year 2021 because of suspended tasks on project sites, disruptions to the supply chain, employees absence due to sickness and/or governmental restrictions and the resulting temporary closure and/or reduced capacities of plants in Brazil, China, India, Spain, United Kingdom (hereinafter, "UK") and the United States;
- delays in executing projects in the Operation and Maintenance segment mainly due to restrictive safety protocols and as part thereof quarantine regimes which delayed the resource allocation at wind farm sites and therefore causing additional costs and adversely impacting incentive schemes driven by high availability of wind turbines;
- the resulting costs of under-utilization of SIEMENS GAMESA Group's plants and equipment;
- the resulting higher costs due to prolongation and acceleration actions in project execution and higher shipping costs due to accelerating deliveries of disrupted supply chains;
- the resulting liquidated damages for not fulfilling contractual commitments; and
- the increase in the price of some raw materials, such as balsa wood, because of the supply disruptions.

The disruptions in SIEMENS GAMESA Group's supply chain, manufacturing operations, project execution and commercial activity have largely impacted the onshore activities within the Wind Turbines segment. The impact on the offshore activities within the Wind Turbines segment and in the Operation and Maintenance segment materialized to a lower extent. Therefore, since the second quarter of fiscal year 2020, SIEMENS GAMESA Group was affected by temporary factory closures of different duration at plants located in China, India, Spain and UK due to governmental regulation or material shortage. Project execution was consequently affected in all regions with different levels of impact due to the same reasons.

During August all manufacturing had returned to normal while Brazil and India were the latest countries getting back to full capacity due to significant portions of the workforce of SIEMENS GAMESA Group being unable to work effectively, mainly due to illness, quarantines or government actions.

SIEMENS GAMESA Group expects that the ultimate significance of the impact of the Covid-19 pandemic will be dictated by the extent such disruptions will recur in fiscal year 2021. At the moment of preparation of these Financial Statements, there is still a significant degree of uncertainty on how the pandemic will develop. In this regard, due to the rapid spread of the virus in September and October, on October 25, 2020, the Spanish Government approved a second state of alarm by Royal Decree 926/2020 to contain the spread of infections caused by Covid-19, mainly through restrictions on the movement of people and quarantine procedures. Other countries in which SIEMENS GAMESA Group operates (such as UK, France and Germany, among others) adopted similar measures to contain the virus. There is currently no further material effect in fiscal year 2021 expected beyond the considerations included due to events which already occurred in fiscal year 2020 (Note 9), and the reach of the risk posed by Covid-19 is not clear. Therefore, further business disruptions (as well in the fiscal year 2021) due to Covid-19 protection measures cannot be excluded. If the Covid-19 pandemic is worsening again, macroeconomic conditions may be further adversely affected, potentially resulting in an economic downturn in the countries in which the Group operates and in the global economy more widely, which could adversely impact the business, results of operations and financial condition of the Group also in fiscal year 2021.

BREXIT

The exit of the UK from the European Union triggers an extended period of uncertainty, which adversely impacts future investments in the UK's energy market and also increases the uncertainty in the business development of SIEMENS GAMESA Group in the UK.

On March 29, 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (hereinafter, "the EU"). There was an initial 2 years timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship. On March 29, 2019 the UK Parliament voted for a third time against the Prime Minister's Brexit deal, which, if approved, would have opened the way to the UK leaving the EU on a revised date of May 22, 2019. On April 10, 2019, the UK Government and the EU agreed an extension for the Brexit until October 31, 2019. On October 17, 2019, UK and the European Commission approved an orderly Brexit which was not supported by the Parliament. On October 28, 2019 the EU agreed a new extension for the Brexit until January 31, 2020. The Prime Minister, Boris Johnson, won the elections in the UK on December 12, 2019 and finally got the support from the UK Parliament to leave the EU on December 20, 2019. In January 2020, the UK left the EU after reaching an agreement with the EU to do so. A grace period has begun, ending on December 31, 2020. During this period, nothing regarding movement of people and goods or duties changes, being a period without any restrictions until a final agreement is reached between EU and UK.

At the time of the preparation of these Financial Statements, there is still significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU. As a result, the period during which the existing EU laws for member states will continue to apply to the UK is also uncertain, as well as which laws will apply to the UK after the exit. The consequences derived from it, for any resulting scenario, are still uncertain, affecting, among other factors, the value of the pound against the euro, the access to the European single market, the circulation of people and goods, services and capital, or the valuation of the investments made in the UK.

Nowadays, the main Group operations related to the UK market are the following:

- Currently there is no significant pipeline of UK onshore projects due to government restrictions to the support to new onshore developments. Several projects are still in the sales phase, where Brexit risks can be covered in the contract negotiations. Projects in the Republic of Ireland continue but, as Ireland remains in the EU, no impacts are expected.

- Much of the Group's current activity in the UK consists in the supply and installation of offshore projects.
- SIEMENS GAMESA Group has made a major investment in manufacturing in the UK with the establishment of a primary production of offshore wind turbine blades on a site that is closely located to the Group's port facility. Now, the Group manufactures the current generation of blades for its offshore projects, which will be used on both UK and European projects, and thus commencing with exports from the factory. The factory currently employs over 800 people.
- SIEMENS GAMESA Group also provides warranty services to new projects and long-term service of wind farm fleets for customers. With a major base in Newcastle upon Tyne, Service also operates a widely distributed workforce with satellite locations at offshore wind farms and onshore wind hubs across the UK.
- The specific risks that arise from the negotiations between the UK and the EU and which affect the Group's activities are presented below:
- It is expected that the custom duties and tariffs will be applied to imported equipment that is currently tariff free. However, it is expected that the UK government would set temporary MFN ("Most favoured nation") rates and therefore, presumably, no tariff costs would arise in a post-Brexit situation, at least during the first year following the date of exit.
- The Group imports a significant part of the raw materials for the production of blades from the EU (Denmark and Germany). The Group is currently analysing the supply chain flows and the measures to be implemented aimed at reducing lead-times and mitigating other potential risks from Brexit.
- The status of EU employees working for SIEMENS GAMESA Group in the UK as residents and also the possibility that UK workers can travel and work freely in other EU countries is being analysed. However, the exposure to these risks is considered low.
- It is expected that the cost of blades exported to other EU countries increase due to additional duties in the EU.

The Group has evaluated the possible scenarios derived from the Brexit concluding that it will be able to cover these uncertainties through several risk mitigation measures, in particular:

- Creation of an inventory of spare parts and purchase diverse materials in advance.
- Logistical changes, mainly in the ports of entry of merchandise.
- Review of the "legal clause" in old contracts, as well as the introduction of a new "BREXIT" clause in possible new contracts.

Based on risk assessment and its mitigation, no significant risk on the recoverability of assets resulting from past investments in the UK is identified. In any case, no material impact on the Group's total assets is expected as the Group's UK investments represent less than 2.7% of the total Group's consolidated assets as of September 30, 2020 (less than 0.8% as of September 30, 2019; the change compared to September 30, 2019 is due to the first-time adoption of IFRS 16 during fiscal year 2020). The cost of the investment in the UK subsidiary, Siemens Gamesa Renewable Energy Limited, amounts to EUR 203 millions (Note 9) and no impairment has been detected related to said investment. A close analysis and follow-up of the situations that could suppose a significant risk and of the measures to be taken in this regard are performed on a regular basis through an established task force that continuously monitors the exit process.

TRADE WAR BETWEEN THE UNITED STATES, CHINA AND THE EUROPEAN UNION

SIEMENS GAMESA Group is exposed to risks relating to fluctuations in the prices of the commodities, as well as import tariffs for certain products in some countries that may affect the costs of the supply chain. These risks are mainly managed in the procurement process. Only in some cases, SIEMENS GAMESA Group uses derivative instruments to mitigate these market price risks.

At the time of preparation of these Financial Statements, there is still significant uncertainty about the potential trade war between the United States, China and the EU. Although a phase 1 of an agreement between the United States and China has been reached on January 15, 2020, there is significant uncertainty as to what tariffs will be applied in the different countries to different products. The United States administration introduced tariffs on various categories of goods and materials, including steel, and threatened to introduce further tariffs. In response, the EU, China and other jurisdictions introduced tariffs on certain goods and materials of the United States. Such tariffs increase the cost of certain key raw materials used in the Group's business, mainly in its manufacturing and construction processes. At the date of preparation of these Financial Statements no significant impacts, additional to those already included in the Consolidated Financial Statements for the year ended September 30, 2019, are expected. The Group has assessed the possible scenarios from the trade war, concluding that it will be able to reduce these risks by taking several risk mitigation measures including changes in its supply chain, transfer of costs to its clients, as well as request for exemptions to certain tariffs. A close analysis and follow-up is performed on a regular basis through the export control and customs and the purchasing departments.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SIEMENS GAMESA Group uses external sources to finance parts of its operations. Loans at variable rates expose the Group to interest rate risks, while loans at fixed rates expose the Group to fair value interest rate risk. The variable rates are mainly linked to the LIBOR or the EURIBOR. SIEMENS GAMESA Group continuously analyses the split of external financing at variable and fixed rates to optimise the interest rate exposure.

The Group has occasionally used derivative financial instruments to mitigate the interest rate risk. These interest rate hedges are assigned specifically to debt instruments and are matching their maturity as well as their nominal amount (Note 14).

B. LIQUIDITY RISK

Liquidity risk is the risk that SIEMENS GAMESA Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. The Group mitigates the liquidity risk by the implementation of an effective working capital and cash management as well as with arranged credit facilities with highly rated financial institutions. As of September 30, 2020, SIEMENS GAMESA has unused credit facilities amounting to EUR 2,857 million which represents 79.43% of total credit facilities limit (EUR 2,637 million as of September 30, 2019 which represented 84.1% of total credit facilities limit).

Furthermore, the Group attempts to maintain a financial debt structure that is in line with the maturity of the assets to be financed. Therefore, non-current assets are financed with long-term debt or equity, whereas working capital is mainly financed with short-term borrowings.

C. CREDIT RISK

The credit risk is the risk that exists when a counterparty or customer does not meet its contractual payment obligations, and this leads to a loss for SIEMENS GAMESA Group.

The Group deals generally with customers that have an appropriate credit history and rating. The customers usually are companies within the energy sector where the steady cash-inflows from the sale of electricity leads to an above average credit rating. Nevertheless, in cases of customers with a below average rating or credit history, SIEMENS GAMESA Group uses a variety of mitigation measures, such as irrevocable letters of credit or export insurances to cover the increased credit risk. Furthermore, the customer contract is individually analysed, and specific conditions according to the credit risk exposure are included to safeguard the Group from an insolvency of the counterparty.

5. Critical valuation aspects and sources of uncertainty

The preparation of the Financial Statements has required management to make judgments and use estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from Management's estimates: although the estimates are done based on the best information available of the analysed facts as of September 30, 2020 and 2019, future events might make it necessary to modify them (upwards or downwards) in later years, which would be applied prospectively, recognizing the change in estimations in future periods. These estimates relate basically to the following:

- Impairment of the value of equity instruments in group companies and associates: The measurement of long-term equity instruments requires estimating their recoverable amount in order to assess a possible impairment. In order to determine this recoverable amount, the Company estimates the expected future cash flows resulting from the mentioned investments by reference to future expected benefits and uses an appropriate discount rate to calculate the present value of these cash flows (Note 9).
- Useful life of intangible assets and property, plant and equipment: The Company's management estimates the useful life and relevant amortization / depreciation charges for its intangible assets and property, plant and equipment. The Company will increase the amortization / depreciation charges when useful lives are shorter than previously estimated and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold (Notes 7 and 8).
- Calculation of provisions: At the end of each reporting period the Company's Management estimates the liabilities arising from litigation and similar events which require the recognition of provisions of a legal and tax nature.
- Contingent liabilities: The Company's Management considers that there are no significant contingent liabilities for the year ended September 30, 2020 and 2019.
- Corporate Income Tax and "Deferred tax assets": The tax calculation is carried out based on Company Management's best estimates in accordance with the current tax legislation and taking into account the foreseeable development of such tax legislation.

The Company recognizes "Deferred tax assets" only to the extent that its future recovery or use is sufficiently guaranteed. As future circumstances are uncertain and are partially beyond the control of SIEMENS GAMESA, it is necessary to make hypotheses to estimate future taxable income, as well as the period in which the deferred taxes will be recovered. The estimates are reviewed in the period in which there is sufficient evidence to review the hypotheses.

When the final tax result differs from the amounts which were initially recognized, such differences will have an effect on Corporate Income Tax and the provisions for deferred taxes in the year in which they are deemed to arise (Note 15).

6. Earnings allocation

At the date of preparation of these Financial Statements, SIEMENS GAMESA's Board of Directors, estimates that it will propose to the General Shareholders' Meeting for its approval the following allocation of results for the year ended September 30, 2020 as shown below, determined according to Spanish accounting regulations applicable to the Statutory Financial Statements of the Company:

Thousands of euros	09.30.2020
Basis of distribution	
Result for the year	(1,167,449)
Total	(1,167,449)
Distribution	
Prior period's losses	(1,167,449)
Total	(1,167,449)

A. LIMITATIONS FOR THE DISTRIBUTION OF DIVIDENDS

The Company is required to allocate 10% of the year's profit to the constitution of the legal reserve, until it reaches at least 20% of the issued capital. While this reserve does not exceed the limit of 20% of the issued capital, it is not distributable to the shareholders (Note 12.B).

Once all requirements provided for by the Law or the Bylaws have been met, dividends can only be distributed with charge to the year's profit, or freely available reserves, if the value of "Equity" is not or, as a result of the distribution, does not turn out to be less than the issued capital. For these purposes, benefits included directly in "Equity" cannot be subject to direct or indirect distribution. If there were losses from prior years that made the "Equity" of the Company less than the amount of the share capital, the profit will be allocated to offset these losses.

7. Intangible assets

The movements produced during the years 2020 and 2019 in the heading "Intangible assets" of the Balance Sheet have been the following:

Thousands of euros	10.01.2019	Additions (Amortization)	09.30.2020
COST			
Software	483	19	502
	483	19	502
AMORTIZATION			
Software	(320)	(97)	(417)
	(320)	(97)	(417)
Net total	163	(78)	85

Thousands of euros	10.01.2018	Additions (Amortization)	09.30.2019
COST			
Software	436	47	483
	436	47	483
AMORTIZATION			
Software	(182)	(138)	(320)
	(182)	(138)	(320)
Net total	254	(91)	163

As of September 30, 2020 and 2019 the acquisition cost of fully amortized intangible assets that remained in use amounted to EUR 60 thousand and EUR 41 thousand, respectively.

8. Property, plant and equipment

Movements in the accounts included under the heading "Property, plant and equipment" of the Balance Sheet during 2020 and 2019 are as follows:

Thousands of euros	10.01.2019	Additions (Depreciation)	09.30.2020
COST			
Other installations, tooling and fixtures	1,183	245	1,428
Other property, plant and equipment	886	-	886
	2,069	245	2,314
DEPRECIATION			
Other installations, tooling and fixtures	(242)	(104)	(346)
Other property, plant and equipment	(574)	(228)	(802)
	(816)	(332)	(1,148)
Net total	1,253	(87)	1,166

Thousands of euros	10.01.2018	Additions (Depreciation)	09.30.2019
COST			
Other installations, tooling and fixtures	1,100	83	1,183
Other property, plant and equipment	813	73	886
	1,913	156	2,069
DEPRECIATION			
Other installations, tooling and fixtures	(152)	(90)	(242)
Other property, plant and equipment	(302)	(272)	(574)
	(454)	(362)	(816)
Net total	1,459	(206)	1,253

SIEMENS GAMESA's policy is to contract insurance policies to cover the possible risks that could affect its different elements of property, plant and equipment. At the end of 2020 and 2019 there was no shortfall in the coverage for these risks.

As of September 30, 2020 and 2019 the Company has fully depreciated elements of "Property, plant and equipment" that are still in use, according to the following detail of their acquisition cost:

Thousands of euros	09.30.2020	09.30.2019
Other installations, tooling and fixtures	33	32
Other property, plant and equipment	124	77
Total	157	109

As of September 30, 2020 and 2019 the Company has no commitments to acquire property, plant and equipment.

9. Long-term financial instruments

The balances under the heading "Long-term investments in group companies and associates" as of September 30, 2020 and 2019 is as follows:

Thousands of euros	Long-term financial instruments		
	Equity instruments	Credits, derivatives and others	Total
Year 2020			
Long-term investments in group companies and associates			
Investments in group companies and associates	8,323,567	-	8,323,567
Credits to group companies and associates (Note 18)	-	-	-
Long-term financial investments			
Guarantees and deposits given	-	50,522	50,522
Total	8,323,567	50,522	8,374,089
Year 2019			
Long-term investments in group companies and associates			
Investments in group companies and associates	9,444,835	-	9,444,835
Credits to group companies and associates (Note 18)	-	500,000	500,000
Long-term financial investments			
Guarantees and deposits given	-	522	522
Total	9,444,835	500,522	9,945,357

Movement during 2020 and 2019 in "Long-term investments in group companies and associates" and "Long-term financial investments" is as follows:

Thousands of euros	Long-term investments in group companies and associates			
	10.01.2019	Additions	Disposals	Reversal (Impairment)
Investments in group companies and associates	9,444,835	451,816	(121,617)	(1,451,467)
Credits to group companies and associates (Note 18)	500,000	-	(500,000)	-
Total	9,944,835	451,816	(621,617)	(1,451,467)

Thousands of euros	Long-term investments in group companies and associates				09.30.2019
	10.01.2018	Additions	Disposals	(Impairment) Reversal	
Investments in group companies and associates	9,190,858	308,700	-	(54,723)	9,444,835
Credits to group companies and associates (Note 18)	500,000	-	-	-	500,000
Total	9,690,858	308,700	-	(54,723)	9,944,835

A. INVESTMENT IN GROUP COMPANIES AND ASSOCIATES

The most significant information relating to group companies and associates as of September 30, 2020 and 2019 is as follows:

Thousands of euros Year 2020 (Appendix)	Registered address	% of ownership	Cost	Accumulated Impairment	Issued capital ⁽¹⁾	Rest of equity without results ⁽¹⁾	Operating profit ⁽¹⁾	Net results ⁽¹⁾
Siemens Gamesa Renewable Energy Wind Farms, S.A. Unipersonal (**) (****)	Spain	100%	6,761,042	(1,547,538)	35,491	752,059	(5,063)	19,142
Siemens Gamesa Renewable Energy 9Ren, S.L.U. (2) (**)	Spain	100%	8,185	(2,201)	11,957	(2,603)	2,285	(2,314)
Siemens Gamesa Renewable Energy Pty. Ltd. (**)	Australia	100%	31,372	-	31,269	(4,150)	(8,185)	(8,542)
Siemens Gamesa Renewable Energy GmbH (**)	Austria	100%	9,966	(2,719)	35	7,798	1,150	1,000
Siemens Gamesa Renewable Energy Limited (*)	Canada	100%	270,516	(104,264)	266,956	(266,934)	5,410	4
Siemens Gamesa Renewable Energy (Shanghai) Co. Ltd. (**)	China	100%	59,484	-	43,481	47,678	19,295	15,050
Siemens Gamesa Renewable Energy Limited (**)	Thailand	100%	5,439	-	10,254	(1,624)	3,290	2,508
Siemens Gamesa Renewable Enerji Anonim Sirketi (*)	Turkey	100%	53,108	-	3,704	9,430	(2,054)	(4,846)
Siemens Gamesa Renewable Energy Iberica S.L.U. (*)	Spain	100%	14,810	(10,085)	3	11,566	(8,993)	(9,493)
Siemens Gamesa Renewable Energy S.A.S (**) (****)	France	100%	29,910	-	1,001	756	(3,845)	(3,494)
Siemens Gamesa Renewable Energy NV (**)(****)	Belgium	100%	5,000	-	5,000	500	1,332	709
Siemens Gamesa Renewable Energy B.V. (**)	Netherlands	100%	113,060	(44,076)	1	5,012	5,608	3,485
Siemens Gamesa Renewable Energy S.A.C. (*)	Peru	100%	5,689	(3,200)	5,689	(3,687)	(240)	(223)
Siemens Gamesa Renewable Energy AB (**)	Sweden	100%	96,304	-	5	13,787	(6,305)	(7,591)
Siemens Gamesa Renewable Energy Limited (**)	United Kingdom	100%	202,815	-	207,141	(132,483)	104,388	74,583
Siemens Gamesa Renewable Energy Limited (**)	Ireland	100%	95,102	(15,410)	-	3,519	11,686	10,071
Siemens Gamesa Renewable Energy Italia S.r.l. (**)	Italy	100%	6,109	-	1,000	2,070	(408)	(546)
Siemens Gamesa Renewable Energy AS (**)	Norway	100%	48,852	(8,824)	276	9,366	(116)	(1,609)
Siemens Gamesa Renewable Energy, Inc. (*)	United States	100%	3,273,056	(1,557,694)	27,834	591,265	(13,966)	(6,035)
Siemens Gamesa Renewable Energy Engineering Centre Private Limited (**)	India	100%	1,323	-	1,323	3,143	3,901	2,797
Siemens Gamesa Renewable Energy A/S (**)	Denmark	100%	333,526	-	2,690	205,750	(170,078)	(134,837)
Siemens Gamesa Renewable Energy Egypt LLC (**)	Egypt	100%	3,868	-	3,871	(1,769)	(1,757)	(2,198)
Siemens Gamesa Renewable Energy (Pty) Ltd. (**) (****)	South Africa	70%	5,005	-	8,006	(2,947)	6,917	1,858
Siemens Gamesa Renewable Energy, Inc. (**)	Philippines	100%	11,773	(4,910)	10,760	(4,708)	997	(296)
Siemens Gamesa Renewable Energy Kft. (**)	Hungary	100%	2,873	-	32	1,619	530	322
Siemens Gamesa Renewable Energy Deutschland GmbH (****)	Germany	100%	108,333	-	6,058	(1,056,720)	139,405	89,519
Other investments	-	-	2,934	-	-	-	-	-
Associates:								
Windar Renovables, S.L. (***)	España	32%	65,034	-	9	90,975	33,625	16,742
Total			11,624,488	(3,300,921)				

(1) This information refers to the individual Financial Statements as of September 30, 2020 and 2019 for the respective companies except for the Windar Renovables data that refers to its Consolidated Financial Statements as of September 30, 2020 and 2019. None of the abovementioned companies are listed. In particular, the company Siemens Gamesa Renewable Energy Wind Farms, S.A.U. is the holding company of a subgroup of companies that brings together an important part of the Group's activities, so that its individual equity are not representative of the equity value of the subgroup headed by this company.

(2) 49% of direct ownership and 51% of indirect ownership.

(*) Companies not legally required to audit their Financial statements.

(**) Companies audited by EY.

(***) Companies audited by another audit firm.

(****) From now on, S.A.U.

(*****) Siemens Gamesa Renewable Energy NV., previously denominated as Siemens Gamesa Renewable Energy BVBA.
Siemens Gamesa Renewable Energy Deutschland GmbH, previously denominated Adwen GmbH.

Thousands of euros Year 2019	Registered address	% of ownership	Cost	Accumulated Impairment	Issued capital ⁽¹⁾	Rest of equity without results ⁽¹⁾	Operating profit ⁽¹⁾	Net results ⁽¹⁾
Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (**)	Spain	100%	6,458,746	-	35,491	386,072	43,684	26,413
Siemens Gamesa Renewable Energy 9Ren, S.L.U. (2) (**)	Spain	100%	8,185	-	11,957	(1,764)	(1,807)	(1,872)
Siemens Wind Power SpA. (*)	Chile	100%	2,740	-	2,740	(1,351)	1,355	1,020
Siemens Gamesa Renewable Energy Pty. Ltd. (**)	Australia	100%	31,282	-	31,269	(8,980)	(33)	(104)
Siemens Gamesa Renewable Energy GmbH (**)	Austria	100%	9,966	(2,661)	35	7,559	(146)	(289)
Siemens Gamesa Renewable Energy Limited (*)	Canada	100%	270,495	(113,737)	266,956	(271,562)	16,908	21,643
Siemens Gamesa Renewable Energy (Shanghai) Co, Ltd. (**)	China	100%	59,517	-	43,481	34,184	19,746	15,841
Siemens Gamesa Renewable Energy Limited (**)	Thailand	100%	5,439	-	5,439	(5,094)	2,719	2,141
Siemens Gamesa Renewable Energy Sp. z.o.o. (**)	Poland	100%	11,758	-	5,899	(7,072)	2,952	2,414
Siemens Gamesa Renewable Enerji Anonim Sirketi (*) (****)	Turkey	100%	43,849	-	3,704	2,744	4,024	1,035
Siemens Gamesa Renewable Energy Iberica S.L.U. (*)	Spain	100%	14,755	(10,085)	3	8,590	11,096	(4,082)
Siemens Gamesa Renewable Energy S.A.S. (**)	France	100%	29,902	-	1,001	311	814	333
Siemens Gamesa Renewable Energy Belgium BVBA (*) (****)	Belgium	100%	5,000	-	5,000	500	18,243	11,811
Siemens Gamesa Renewable Energy B.V. (**)	Netherlands	100%	113,033	-	1	5,221	7,147	5,019
Siemens Gamesa Renewable Energy S.A.C. (*)	Peru	100%	5,688	(3,200)	5,689	(4,480)	1,832	1,232
Siemens Gamesa Renewable Energy AB (**)	Sweden	100%	96,304	(8,311)	5	10,097	4,752	3,487
Siemens Gamesa Renewable Energy Limited (**)	United Kingdom	100%	202,533	-	207,141	(217,173)	123,208	89,560
Siemens Gamesa Renewable Energy Limited (**)	Ireland	100%	95,087	(48,710)	-	(1,694)	6,412	5,178
Siemens Gamesa Renewable Energy Italia S.r.l. (**)	Italy	100%	6,103	-	1,000	1,571	653	500
Siemens Gamesa Renewable Energy AS (**)	Norway	100%	20,126	-	271	(9,420)	(507)	(274)
Siemens Gamesa Renewable Energy, Inc. (*)	United States	100%	3,272,557	(1,657,840)	27,834	395,132	7,526	(4,504)
Siemens Gamesa Renewable Energy Engineering Centre Private Limited (**)	India	100%	1,323	-	1,323	736	4,086	2,936
Siemens Gamesa Renewable Energy A/S (**)	Denmark	100%	332,018	-	2,690	249,861	423,293	228,904
Siemens Gamesa Renewable Energy Egypt LLC (**)	Egypt	100%	3,868	-	3,871	(1,009)	(657)	(689)
Siemens Gamesa Renewable Energy GmbH & Co. KG (**)	Germany	100%	107,002	-	1,000	99,744	77,805	62,486
Siemens Gamesa Renewable Energy (Pty) Ltd (**)	South Africa	70%	5,005	-	8,006	(2,000)	3,538	3,036
Siemens Gamesa Renewable Energy, Inc. (**)	Philippines	100%	11,773	(4,910)	10,760	(6,843)	285	228
Siemens Gamesa Renewable Energy Kft. (**)	Hungary	100%	2,873	-	32	549	1,302	340
Other investments	-	-	2,328	-	-	-	-	-
Associates:								
Windar Renovables, S.L. (***)	Spain	32%	65,034	-	9	96,289	5,328	1,040
Total			11,294,289	(1,849,454)				

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(2) 49% of direct ownership and 51% of indirect ownership.

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(**) Companies audited by EY.

(***) Companies audited by another audit firm.

(****) Siemens Gamesa Renewable Energy NV., previously denominated as Siemens Gamesa Renewable Energy BVBA.

The breakdown of investments grouped under “Other investments” as of September 30, 2020 and 2019 is as follows:

	Book value (thousands of euros)	% of direct ownership	Country
Year 2020			
Siemens Gamesa Renewable Energy d.o.o.	843	100%	Croatia
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	681	100%	Spain
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	654	100%	Germany
Siemens Gamesa Renewable Energy Limited	576	100%	South Korea
PT Siemens Gamesa Renewable Energy	142	95%	Indonesia
Siemens Gamesa Renewables Energy Limited	37	100%	United Kingdom
Siemens Gamesa Renewable Energy SARL	1	100%	Morocco
Total other investments	2,934		
Year 2019			
Siemens Gamesa Renewable Energy d.o.o.	843	100%	Croatia
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	681	100%	Spain
Siemens Gamesa Renewable Energy Limited	576	100%	South Korea
PT Siemens Gamesa Renewable Energy	142	95%	Indonesia
Siemens Gamesa Renewable Energy Management GmbH	85	100%	Germany
Siemens Gamesa Renewable Energy SARL	1	100%	Morocco
Total other investments	2,328		

Changes in the cost of investments are as follows:

Thousands of euros	Country	Additions (disposals)
Year 2020		
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	302,295
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	108,333
Siemens Gamesa Renewable Energy AS	Norway	28,726
Siemens Wind Power Ruzgar Enerjisi Anonim Sirketi	Turkey	9,259
Siemens Gamesa Renewable Energy A/S (Note 12.E)	Denmark	1,508
Siemens Gamesa Renewable Energy, Inc. (Note 12.E)	United States	499
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	Germany	654
Siemens Gamesa Renewable Energy Limited (Note 12.E)	United Kingdom	282
Siemens Gamesa Renewable Energy Pty Ltd (Note 12.E)	Australia	90
Siemens Gamesa Renewable Energy Iberica, S.L.U. (Note 12.E)	Spain	55
Siemens Gamesa Renewables Energy Limited (Note 12.E)	United Kingdom	37
Siemens Gamesa Renewable Energy B.V. (Note 12.E)	Netherlands	27
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Canada	21
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Ireland	16
Siemens Gamesa Renewable Energy S.A.S. (Note 12.E)	France	8
Siemens Gamesa Renewable Energy Italia S.r.l. (Note 12.E)	Italy	6
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd. (Note 12.E)	China	(33)
Siemens Gamesa Renewable Energy Management GmbH	Germany	(85)
Siemens Wind Power SpA	Chile	(2,740)
Siemens Gamesa Renewable Energy Sp.z.o.o.	Poland	(11,757)
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	(107,002)
Total additions (disposals)		330,199
Year 2019		
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	301,882
Siemens Gamesa Renewable Energy Kft.	Hungary	2,863
Siemens Gamesa Renewable Energy GmbH & Co. KG (Note 12.E)	Germany	1,160
Siemens Gamesa Renewable Energy, Inc.	Philippines	1,013
Siemens Gamesa Renewable Energy A/S (Note 12.E)	Denmark	892
Siemens Gamesa Renewable Energy, Inc. (Note 12.E)	United States	534
Siemens Gamesa Renewable Energy Limited (Note 12.E)	United Kingdom	174
Siemens Gamesa Renewable Energy International Wind Services, S.A.	Spain	81
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd. (Note 12.E)	China	29
Siemens Gamesa Renewable Energy Iberica S.L. (Note 12.E)	Spain	16
Siemens Gamesa Renewable Energy B.V. (Note 12.E)	Netherlands	16
Siemens Gamesa Renewable Energy Italia S.r.l. (Note 12.E)	Italy	15
Siemens Gamesa Renewable Energy Pty Ltd (Note 12.E)	Australia	13
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Canada	6
Siemens Gamesa Renewable Energy Limited (Note 12.E)	Ireland	5
PT Siemens Gamesa Renewable Energy (Note 12.E)	Indonesia	1
Total additions (disposals)		308,700

The main changes in fiscal year 2020 have been as follows:

- On March 20, 2020, and September 15, 2020, the Company, as the sole shareholder of Siemens Gamesa Renewable Energy AS (Norway), approved a capital increase of NOK 150,000 thousand (equivalent to EUR 12,833 thousand) and NOK 170,000 thousand (equivalent to EUR 15,893 thousand), by increase of the nominal value of the shares and share premium.
- On March 23, 2020, and on September 4, 2020, the Company, as the sole shareholder of Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain), approved a cash contribution of EUR 100,000 thousand and EUR 200,00 thousand, respectively.
- During the second half of the fiscal year 2020, SIEMENS GAMESA has reorganized its companies in Germany in order to optimize its operations in that country. The transactions carried out in this reorganization were as follows:
 - On June 16, 2020, the group company Adwen Offshore, S.L.U. has sold its shareholding in Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) to SIEMENS GAMESA for EUR 1.
 - On September 28, 2020, the Company, as the only shareholder of Siemens Gamesa Renewable Energy Deutschland GmbH (Germany), has made a capital increase of EUR 6 thousand.
 - On September 30, 2020, SIEMENS GAMESA has contributed, by means of a non-monetary contribution, to Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) the shares it owned in Siemens Gamesa Renewable Energy GmbH & Co KG (Germany) and Siemens Gamesa Renewable Energy Management GmbH (Germany), so that those companies are no longer directly owned by SIEMENS GAMESA.

The price for the sale of Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) has been EUR 1, taking into account the overall reorganization as a whole. However, the fair value of this investment, without considering the contributions of Siemens Gamesa Renewable Energy GmbH & Co KG (Germany) and Siemens Gamesa Renewable Energy Management GmbH (Germany) has been initially estimated as negative EUR 940 million. Subsequently, after considering the aforementioned contributions, the fair value of the subgroup headed by this investee is higher than the cost of the investment as of September 2020 (EUR 108 million).

The accounting treatment of this transaction has been as follows: Initially, SIEMENS GAMESA has recorded the acquisition of the shareholding in Siemens Gamesa Renewable Energy Deutschland GmbH (Germany) for an amount of EUR 0, and a provision for risks in subsidiaries for an amount of EUR 940 million, with a charge to "Equity".

Subsequently, the Company has recorded the contributions of Siemens Gamesa Renewable Energy GmbH & Co KG (Germany) and Siemens Gamesa Renewable Energy Management GmbH (Germany) by means of additions and disposals in the cost of investments as reflected below:

Thousands of euros	Country	Additions (disposals) in investments
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	106,458
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	(106,373)
Siemens Gamesa Renewable Energy Management GmbH	Germany	(85)
Total		-

Finally, according to the fair value of the subgroup arising from this reorganization, SIEMENS GAMESA has reversed the provision for risks in subsidiaries initially recognized with a credit to "Equity", leaving the investment valued at EUR 106,464 thousand, also taking into account the capital increase of September 28, 2020. The remaining amount reflected in this shareholding as of September 30, 2020 amounts to EUR 1,869 thousand and is related to the recognition of the long-term incentive as detailed in the table below related to additions as a consequence of the Long-Term Incentive.

- On September 24, 2020, SIEMENS GAMESA as limited partner and Siemens Gamesa Renewable Energy Management GmbH (Germany) as general partner (limited responsibility, without vote, without participation in equity) constituted the company Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG (Germany) with a share capital of EUR 25 thousand. Moreover, on September 28, 2020, SIEMENS GAMESA

made a non monetary contribution (transfer) of EUR 629 thousand by contributing a purchase option on a plot of land in Cuxhaven, which was previously transferred by Siemens Gamesa Renewable Energy GmbH & Co. KG (Germany), the initial owner of the purchase option, to SIEMENS GAMESA.

- The company has sold the following investments to Siemens Gamesa Renewable Energy Eólica, S.L.U. (Spain):

Thousands of euros	Country	Date	Sale price	Result of the operation	Cancellation of the investment
Siemens Gamesa Renewable Energy Sp. z o.o.	Poland	July 1, 2020	13,546	1,789	(11,757)
Siemens Wind Power Energia Eólica Ltda.	Brazil	June 16, 2020	4,515	4,515	(-) (*)
Siemens Wind Power SpA	Chile	July 31, 2020	2,831	91	(2,740)
Total			20,892	6,395	(14,497)

(*) The cost of the investment of Brazil is of EUR 249.

- On October 8, 2019, Siemens Gamesa Renewable Energy Eólica, S.L.U. (Spain) has sold its 99% shareholding in Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey) to SIEMENS GAMESA for EUR 9,168 thousand, and on May 7, 2020, Siemens Gamea Renewable Energy Innovation and Technology, S.L.U. (Spain) has sold its 1% shareholding in the same company for EUR 91 thousand. On July 21, 2020, the merger between the companies Siemens Gamesa Renewable Enerji Anonim Sirketi, 100% owned by SIEMENS GAMESA, and Siemens Gamesa Turkey Yenilenebilir Enerji Anonim Sirketi (Turkey) was approved, so that the investment in the Company increases in an amount of EUR 9,259 thousand.
- Additionally, as a consequence of the Long-Term Incentive (Note 12.E), in the case of the subsidiaries detailed below, the Company has granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, resulting in an increase of the "Investments in group companies and associates" in amount of EUR 6,680 thousand for the year ended September 30, 2020.

Thousands of euros	Country	Additions (disposals)
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	2,295
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	1,869
Siemens Gamesa Renewable Energy A/S	Denmark	1,508
Siemens Gamesa Renewable Energy, Inc.	United States	499
Siemens Gamesa Renewable Energy Limited	United Kingdom	282
Siemens Gamesa Renewable Energy Pty Ltd	Australia	90
Siemens Gamesa Renewable Energy Iberica, S.L.U.	Spain	55
Siemens Gamesa Renewables Energy Limited	United Kingdom	37
Siemens Gamesa Renewable Energy B.V.	Netherlands	27
Siemens Gamesa Renewable Energy Limited	Canada	21
Siemens Gamesa Renewable Energy Limited	Ireland	16
Siemens Gamesa Renewable Energy S.A.S.	France	8
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	6
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	China	(33)
Total additions (disposals)		6,680

SIEMENS GAMESA, in view of the current situation of the Covid-19, as well as other market uncertainties (slowdown in important markets for the SIEMENS GAMESA Group such as India and Mexico) has carried out an update of impairment tests for its investments in group companies. To perform these impairment tests, SIEMENS GAMESA has used discounted cash flows for the following five years, taking into account the most up-to-date business plan available for each company, and considering a discount rate based on the weighted average cost of capital (hereinafter, "WACC") of 8.5% (in the selected countries the WACC is between 8% and 9%) and a terminal value growth rate (g) of 1.7% (in the selected countries this growth rate is between 1% and 2%). The main changes are as follows:

- The Company has detected impairment indicators in the investment in Siemens Gamesa Renewable Energy B.V. (Netherlands). As a result, an analysis of the recoverable amount of the shareholding has been made. The recoverable value has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 1.85% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 1.80% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 68% of the total recoverable value. As a result of this assessment, an impairment of the investment in amount of EUR 44,076 thousand has been recorded.

- The Company has detected impairment indicators in the investment in Siemens Gamesa Renewable Energy AS (Norway). As a result, an analysis of the recoverable amount of the shareholding has been made. The recoverable value has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 1.00% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 2.44% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 87% of the total recoverable value. As a result of this assessment, an impairment of the investment in amount of EUR 8,824 thousand has been recorded.
- At 2020 year end, the impairment recorded in 2019 for its subsidiary in Canada has been updated and as a result, SIEMENS GAMESA has partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy Limited (Canada) in an amount of EUR 9,473 thousand mainly due to the slight improvement in the company's perspectives.

The recoverable amount of the investment of Canada has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 6.07% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 6.81% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 57% of the total recoverable value.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in Sweden has been updated and as a result, SIEMENS GAMESA has totally reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy AB (Sweden) in an amount of EUR 8,311 thousand mainly due to the recovery in the company's perspectives.

The recoverable amount of the investment of Sweden has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 4.06% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 3.99% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 72% of the total recoverable value.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in Ireland has been updated and as a result, SIEMENS GAMESA has partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy Limited (Ireland) in an amount of EUR 33,300 thousand mainly due to the improvement in the company's perspectives.

The recoverable amount of the investment of Ireland has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 12.28% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 11.55% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 59% of the total recoverable value.

- At 2020 year end, the impairment recorded in 2019 for its subsidiary in United States has been updated and as a result, SIEMENS GAMESA has partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy, Inc. (United States) in an amount of EUR 100,146 thousand mainly due to the slight improvement in the company's perspectives.

The recoverable amount of the investment of United States has been estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2021, an operating margin of 6.36% has been considered. For the year 2022 and subsequent periods, including the terminal value, an average margin close to 5.95% has been considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represents 67% of the total recoverable value.

- SIEMENS GAMESA has performed an impairment analysis on its investment in the subgroup of companies headed by Siemens Gamesa Renewable Energy Wind Farms, S.A.U., which brings together an important part of the Group's activities, as it is the case of the operations in India, China and Latin America, among others.

The impairment test is based on the expected cash flows from this company's investments in its subsidiaries, considering an operating margin that in general is between 4% and 9% and a weighted average of the recoverable terminal value of approximately 72%. As a result of this analysis, the Company has recorded an impairment loss of EUR 1,547,538 thousand, mainly due to the slowdown in its business in India, the regulatory uncertainty in Latin America regarding the development of renewable energies, mainly in Mexico, as well as due to the current pandemic circumstances.

The main changes in fiscal year 2019 were as follows:

- As of November 7, 2018, SIEMENS GAMESA, as the sole shareholder of Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain), approved an increase of reserves of said company in cash of EUR 300,000 thousand. The remaining amount, EUR 1,882 thousand, corresponded to the long-term incentive allocation (Note 12.E).
- As of March 14, 2019, the Company as the sole shareholder of Siemens Gamesa Renewable Energy Kft. (Hungary), approved an increase in cash of said company of HUF 900,000 thousand, equivalent to EUR 2,863 thousand, including HUF 7,000 thousand as a capital increase and HUF 893,000 thousand as a reserve increase.
- As of May 20, 2019, SIEMENS GAMESA, as the sole shareholder of Siemens Gamesa Renewable Energy, Inc. (Philippines), approved an increase in cash of PHP 59,000 thousand, equivalent to EUR 1,013 thousand, including it as a capital increase.
- As of September 23, 2019, the Company as the sole shareholder of Siemens Gamesa Renewable Energy International Wind Services, S.A.U. (Spain), approved an increase of reserves of said company in cash of EUR 81 thousand.
- Additionally, in those cases in which SIEMENS GAMESA granted equity instruments to its subsidiaries to make payment with these instruments to beneficiaries (Note 12.E), the Company booked in aggregate an increase in "Investments in group companies and associates" in amount of EUR 4,743 thousand for the year ended September 30, 2019.
- At 2019 year end, the impairment recorded in 2018 for its subsidiary in United States was updated and as a result, SIEMENS GAMESA partially reversed the impairment provision for the investment in Siemens Gamesa Renewable Energy, Inc. (United States) in an amount of EUR 6,358 thousand mainly due to the slight improvement in the company's perspectives.

The recoverable amount of the american investment was estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7% (8.5% and 1.4% in 2018, respectively). For the year 2020, an operating margin of 3.05% was considered. For the year 2021 and subsequent periods, including the terminal value, an average margin close to 8.67% was considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represented 76% of the total recoverable value.

- At 2019 year end, the impairment recorded in 2018 for its subsidiary in Canada was updated and as a result, SIEMENS GAMESA partially reversed the impairment provision for the shareholding in Siemens Gamesa Renewable Energy Limited (Canada) in an amount of EUR 16,796 thousand mainly due to the slight improvement in the company's perspectives.

The recoverable amount of the canadian investment was estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year 2020, an operating margin of 8.04% was considered. For the year 2021 and subsequent periods, including the terminal value, an average margin close to 7.6% was considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represented 62% of the total recoverable value.

- The company detected impairment indicators in the investment in Siemens Gamesa Renewable Energy Limited (Ireland). As a result, an analysis of the recoverable amount of the shareholding was made. The recoverable value was estimated using the expected future cash flows for the next 5 years, based on the most updated business plan available, considering a WACC of 8.5% and a growth rate of 1.7%. For the year

2020, an operating margin of 6.25% was considered. For the year 2021 and subsequent periods, including the terminal value, an average margin close to 8.66% was considered. The terminal value obtained through the generally accepted methodology for business valuations (discounted cash flows), represented 96% of the total recoverable value. As a result of this assessment, an impairment of the investment in amount of EUR 48,710 thousand was booked.

- Additionally, as a result of the analysis of the recoverable amount of the investments, further impairments were booked for several subsidiaries for a total amount of EUR 29,167 thousand, for which the same valuation methodology of discounted cash flow as for the cases described above was used, being the impairment derived mainly from the decrease in the future business expectation for these subsidiaries.

The Appendix reflects a breakdown of the subsidiaries, joint ventures and associates included in the consolidation of SIEMENS GAMESA Group, as well as information related to them.

None of SIEMENS GAMESA's subsidiaries, joint ventures and associates are listed on organized markets.

B. NON-CURRENT FINANCIAL ASSETS

The breakdown, by years, of the maturity of the items composing "Long-term financial investments – Guarantees and deposits given" as of September 30, 2020 and 2019 is as follows:

Thousands of euros	2021	2022	2023	2024	2025	Total
Year 2020						
Guarantees and deposits given	441	81	-	-	50,000	50,522
Total	441	81	-	-	50,000	50,522

Thousands of euros	2020	2021	2022	2023	2024	Total
Year 2019						
Guarantees and deposits given	401	40	81	-	-	522
Total	401	40	81	-	-	522

The increase of this account is due to the amount of EUR 50,000 thousand corresponding to a deposit used as a guarantee for the transfer to a third party of the derivatives portfolio held with SIEMENS Group, whose maturity is 5 years (Note 18).

"Long-term financial investments" are recognised at amortised cost, which fundamentally coincides with their market value.

C. EFFECT OF NON-CONSOLIDATION

SIEMENS GAMESA's Financial Statements are presented in compliance with current mercantile legislation. However, the management of SIEMENS GAMESA and of the Group companies is carried out on a consolidated basis. As a result, SIEMENS GAMESA's Financial Statements do not reflect neither the financial and equity changes that result from applying consolidation criteria neither to the investments nor to the transactions carried out by them, some of which derive from the Group's global strategy. These changes are reflected in the Consolidated Financial Statements for SIEMENS GAMESA Group for the period ended September 30, 2020 and 2019.

The main figures in SIEMENS GAMESA Group Consolidated Financial Statements for 2020 and 2019, prepared in accordance with International Financial Reporting Standards approved by the European Union (IFRS-EU) are as follows:

Thousands of euros	09.30.2020	09.30.2019
Total assets	16,331,835	16,689,413
Equity		
Parent Company	4,934,094	6,270,104
Non - controlling interests	768	2,701
Revenue from continuing operations	9,483,209	10,226,879
Net income for the year		
Parent Company	(918,178)	140,002
Non - controlling interests	(781)	936

10. Short-term financial instruments

The breakdown of short-term financial instruments, including “Trade and other receivables”, “Short-term investments in group companies and associates” and “Short-term financial investments”, without considering the balances with Taxation Authorities, as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Receivables from group companies and associates (Note 18)	79,455	52,040
Personnel	179	47
Short-term investments in group companies and associates (Note 18)	1,958,974	495,460
Derivatives (Notes 14 and 18)	-	1,497
Total	2,038,608	549,044

11. Cash and cash equivalents

The breakdown of “Cash and cash equivalents” as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Cash in euros	345,589	580,143
Cash in foreign currency (Note 4.A)	125,551	142,352
Total	471,140	722,495

Cash and cash equivalents accrue interest at market interest rates. There are no restrictions on the use of these balances.

12. Equity

A. ISSUED CAPITAL

SIEMENS GAMESA's issued capital as of September 30, 2020 and 2019 amounts to EUR 115,794 thousand being composed of 681,143,382 ordinary shares of EUR 0.17 of nominal value each, represented by means of annotations into account, fully subscribed and disbursed.

According to information of the Company, the shareholder structure of SIEMENS GAMESA as of September 30, 2020 and 2019 is as follows:

	09.30.2020
Shareholders	% shareholding
SIEMENS ENERGY AG (*) (Note 1.D)	67.071%
Other (**)	32.929%
Total	100.000%

(*) 67.071% through Siemens Energy Global GmbH & Co. KG (formerly named Siemens Gas & Power GmbH & Co. KG).

(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as significant shareholders according to the article 32 of the Royal Decree 1362/2007 of October 19 on shareholders required to notify their stake due to the residence in a tax haven or in a country of 0 taxation or with no effective exchange of tax information.

	09.30.2019
Shareholders	% shareholding
SIEMENS (*)	59.000%
Iberdrola, S.A.	8.071%
Other (**)	32.929%
Total	100.000%

(*) 28.877% through Siemens Beteiligungen Inland GmbH.

(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as significant shareholders according to the article 32 of the Royal Decree 1362/2007 of October 19 on shareholders required to notify their stake due to the residence in a tax haven or in a country of 0 taxation or with no effective exchange of tax information.

SIEMENS GAMESA's shares are listed in the IBEX 35 through the Automated Quotation System (*Mercado Continuo*) at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

The rating agencies gave the following credit rating to SIEMENS GAMESA Group.

Issuer rating of SIEMENS GAMESA ^(*)			
Agency	Rating	Outlook	Date
Standard & Poor's	BBB	Stable	September 28, 2020
Moody's	Baa3	Negative	September 28, 2020
Fitch	BBB	Negative	May 12, 2020

(*) Long-term: the above ratings may be revised, suspended or withdrawn by the rating agency at any time.

B. RESERVES

Capital reserve

The Spanish Companies Act expressly allows the use of the capital reserve to increase issued capital and there are no specific restrictions for the availability of that amount.

Legal Reserve

Under the Spanish Companies Act, limited responsibility companies (*Sociedad Anónima*) must transfer each year 10% of net profit to the "Legal Reserve" until the balance of this reserve reaches at least 20% of the "Issued Capital".

The "Legal Reserve" can be used to increase capital, as long as the remaining reserve balance does not fall below 10% of the increased "Issued Capital" amount. Except for the aforementioned purpose, and as long as the legal reserve does not exceed 20% of the "Issued Capital", this reserve can only be used to offset losses, provided that there are no other reserves available for that purpose.

As of September 30, 2020 and 2019, this reserve is not fully set up.

C. DIVIDENDS

The General Shareholders' Meeting of SIEMENS GAMESA held on July 22, 2020 has approved a dividend amounting to EUR 35.2 million, charged to the results of the year ended September 30, 2019. This dividend has been paid on July 30, 2020.

The General Shareholders' Meeting of SIEMENS GAMESA held on March 27, 2019 approved a dividend amounting to EUR 17.5 million, charged to the results of the year ended September 30, 2018. This dividend was paid on April 4, 2019.

D. TREASURY SHARES, AT COST

The change in the heading "Treasury shares, at cost" within "Total Equity" as a consequence of the transactions during the year ended September 30, 2020 and 2019, is as follows:

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2019	1,635,425	(21,616)	13.217
Acquisitions	6,029,563	(82,232)	13.638
Disposals	(6,039,119)	79,919	13.234
Balance at 09.30.2020	1,625,869	(23,929)	14.718

	Number of shares	Thousands of euros	Average price
Balance at 10.01.2018	1,698,730	(20,343)	11.975
Acquisitions	18,136,391	(235,668)	12.994
Disposals	(18,199,696)	234,395	12.879
Balance at 09.30.2019	1,635,425	(21,616)	13.217

The nominal value of the treasury shares acquired directly or indirectly by SIEMENS GAMESA, together with those already held by SIEMENS GAMESA Group does not exceed 10% of the "Issued Capital" for the years ended September 30, 2020 and 2019.

On July 10, 2017, SIEMENS GAMESA entered into a liquidity contract with Santander Investment Bolsa, which was communicated to the CNMV through a notice of a Significant Event on the same date. As of January 31, 2020, this contract has been terminated, as communicated to CNMV through a notice of Significant Event, since its objectives of fostering the liquidity of the shares and favouring the consistency of the share quotation have been successfully achieved. Under this contract, during the period between October 1, 2019 and January 31, 2020, SIEMENS GAMESA has acquired 6,029,563 own shares at the average price of EUR 13.64 per share, and has sold 6,039,119 own shares at an average price of EUR 13.23 per share and during the period between October 1, 2018 and September 30, 2019 SIEMENS GAMESA acquired 18,136,391 own shares at the average price of EUR 12.99 per share, and sold 18,199,696 own shares at an average price of EUR 12.88 per share.

The difference between the cost and sales price, has led to an increase of EUR 129 thousand as of September 30, 2020 (an increase of EUR 811 thousand as of September 30, 2019), recognized in "Equity".

E. LONG-TERM INCENTIVE

The General Shareholders' Meeting held on March 23, 2018 approved a Long-Term Incentive Plan for the period between 2018 and 2020, which includes the delivery of shares of the Company linked to the achievement of certain strategic objectives after measurement periods of 3 years. This Long-Term Incentive Plan is addressed to the Chief Executive Officer, Top Management, certain Managers and employees of SIEMENS GAMESA and, where appropriate, of subsidiaries of SIEMENS GAMESA Group.

The Plan has a duration of 5 years divided into three independent cycles with a measurement period of 3 years each.

The settlement period of the Plan will fall within fiscal years 2021, 2022 and 2023. The shares will be delivered, as appropriate, within sixty (60) calendar days from the date on which the Company's Board of Directors issues the Financial Statements for the relevant period, in order to determine the degree of achievement of the objectives for each cycle ("Delivery Date"). The Plan will end on the Delivery Date for cycle FY2020 (i.e. following the preparation of the 2022 Financial Statements).

The Plan is addressed to a maximum of 300 beneficiaries, and the designation of an individual as a beneficiary of a Plan cycle will not necessarily entitle the participation in other Plan cycles.

The Plan could not exceed, as a maximum, the delivery of a total of 5,600,000 shares, which represents a 0.82% of SIEMENS GAMESA's capital and was calculated considering the potential inclusion of additional beneficiaries. The Company will allocate shares of treasury stock to cover the Plan or otherwise meet the commitments derived from the Plan with a financial instrument that provides adequate coverage. As a result of the amendments to the Plan for the second and third cycles, the total number of shares allocated to the Plan has increased to the limit of 7,560,000 shares, which represent 1.1% of the share capital of SIEMENS GAMESA.

For all 3 cycles, the delivery of shares is subject to both the fulfilment of a service condition as well as the fulfilment of several performance vesting conditions. In particular, such performance vesting conditions include both market-related conditions and non-market conditions.

First cycle of the Plan

With respect to the first cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments at grant date, which resulted in a debit amounting EUR 160 thousand and EUR 1,417 thousand, respectively, in "Staff costs" in the Statement of Profit and Loss by nature for the year ended September 30, 2020 and 2019.

In those cases in which SIEMENS GAMESA granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, the Company has recorded EUR 753 thousand and EUR 2,856 thousand under the heading "Long-term investments in group companies and associates – Investments in group companies and associates" of the accompanying Balance Sheet as of September 30, 2020 and 2019 (Note 9), respectively, crediting the heading

“Reserves – Other reserves” under “Equity”, equivalent to the services received and accrued from the beneficiaries belonging to the subsidiaries.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is -0.05%.
- The share price volatility is 43.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the first cycle: 55% (78% for fiscal year 2019).

Initially, the number of employees entitled to the Plan's first cycle was 174.

Second cycle of the Plan

In the General Shareholders' Meeting held on March 27, 2019, the modification of the Long-Term Incentive for the FY2019 and FY2020 cycles was approved.

The objective of this modification was to improve and to better align the Plan with the Company's strategic priorities, like the L3AD2020 program. Finally, these improvements will eliminate the redundancies with the Short-Term Incentive System and will enforce the ownership culture among the Company.

With respect to the second cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments assigned at grant date, which resulted in a debit amounting EUR 741 thousand and EUR 643 thousand, respectively, in the heading “Staff costs” in the Statement of Profit and Loss by nature for the year ended September 30, 2020 and 2019.

In those cases in which SIEMENS GAMESA granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, the Company has recorded EUR 3,624 thousand and EUR 1,887 thousand under the heading “Long-term investments in group companies and associates – Investments in group companies and associates” of the accompanying Balance Sheet as of September 30, 2020 and 2019 (Note 9), respectively, crediting the heading “Reserves – Other reserves” under “Equity”, equivalent to the services received and accrued from the beneficiaries belonging to the subsidiaries.

To measure the fair value at grant date, SIEMENS GAMESA Group used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement were as follows:

- The risk-free rate is 0.18%.
- The share price volatility is 42.98% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the second cycle: 100% (100% for the year 2019).

Initially, the number of employees entitled to the Plan's second cycle was 191.

Third cycle of the Plan

With respect to the third cycle, SIEMENS GAMESA Group has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as staff costs on an accrual basis, accruing the estimate of the fair value of the equity instruments assigned at grant date, which resulted in a debit amounting EUR 784 thousand in "Staff costs" in the Statement of Profit and Loss by nature for the year ended September 30, 2020 (the accounting for the cost of this Plan has begun in the second quarter of fiscal year 2020, so no amount was recognized in the Statement of Profit and Loss for the year ended September 30, 2019).

In those cases in which SIEMENS GAMESA granted own equity instruments to its subsidiaries to be delivered to the beneficiaries as payment, the Company has recorded EUR 2,303 thousand under the heading "Long-term investments in group companies and associates – Investments in group companies and associates" of the accompanying Balance Sheet as of September 30, 2020 (Note 9), crediting the heading "Reserves – Other reserves" under "Equity", equivalent to the services received and accrued from the beneficiaries belonging to the subsidiaries.

To measure the fair value at grant date, SIEMENS GAMESA Group has used the futures pricing formula and the Monte Carlo model based on the assumptions of the Black Scholes pricing model, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the granted equity instruments. The main market parameters used in the measurement have been as follows:

- The risk-free rate is -0.27%.
- The share price volatility is 42.6% which corresponds to the average value of the historic share price variations since January 2010.
- Estimate of the degree of achievement of the strategic objectives from the third cycle: 100%.

Initially, the number of employees entitled to the Plan's third cycle has been 183.

13. Current and non-current financial liabilities

The current and non-current financial liabilities as of September 30, 2020 and 2019 is as follows:

Thousands of euros	09.30.2020	09.30.2019
Long-term debts		
Debt with financial institutions	731,520	494,127
Derivatives (Note 14)	240	
Short-term debts		
Debt with financial institutions	312	-
Derivatives (Notes 14 and 18)	2,826	979
Total	734,898	495,106

A. DEBT WITH FINANCIAL INSTITUTIONS

Syndicated loan and other loans

The amount of "Debt with financial institutions" included in the Balance Sheet as of September 30, 2020 and 2019 mainly relates to the multi-currency revolving credit facility and the loan signed as of May 30, 2018, amounting both to a total of EUR 2,500 million, replacing the EUR 750 million credit facility from 2017. In December 2019, SIEMENS GAMESA has signed an amendment of that contract, modifying both the maturity and some of the lending banks. The facility includes a fully drawn term loan tranche of EUR 500 million maturing in 2022 (previous maturity in 2021) and a revolving credit line tranche of EUR 2,000 million maturing in 2024 (previous maturity in 2023) with two 1 year extension options. This novation has been considered as a substantial modification of the contract terms, and it has led to the transfer to the Statement of Profit and Loss of accrued borrowing costs pending to be recognized corresponding to the previous syndicated loan in amount of EUR 5.7 million. The syndicated loan interest rate is Euribor plus a market spread.

As of September 30, 2020 and 2019, the EUR 500 million loan tranche is fully drawn. Such amounts have been recorded, in each case, after the deduction of the borrowing costs. This loan may be used for general corporate purposes and to refinance outstanding debt.

In January 2020, SIEMENS GAMESA has signed two loans amounting in total to EUR 240 million, both with maturity in January 2023, accruing an interest rate of 0.35% for the financing of the Servion business acquisitions (Note 1.B). As of September 30, 2020 these loans are fully drawn.

Interest rate hedges

SIEMENS GAMESA has entered into interest rate hedges to reduce the effect of the changes in interest rates on future cash flows of loans linked to variable interest rates. As of September 30, 2020, the nominal value of the liabilities covered by interest rate hedges amounts to EUR 500,000 thousand, not having entered into any interest rate derivatives as of September 30, 2019.

The main features of the interest rate hedges are as follows:

Hedge estimated maturity (Nominal value in thousand euros)		
09.30.2020	2020	2021 and subsequent
Interest rate hedges	-	500,000
Estimated cash-flows in the period (thousand euros)		
09.30.2020	2020	2021 and subsequent
Interest rate hedges	(190)	(240)
Hedge estimated maturity (Nominal value in thousand euros)		
09.30.2019	2019	2020 and subsequent
Interest rate hedges	-	-
Estimated cash-flows in the period (thousand euros)		
09.30.2019	2019	2020 and subsequent
Interest rate hedges	-	-

Credit facilities

During fiscal year 2020, SIEMENS GAMESA has signed new bilateral credit lines in euros in total amount of EUR 375 million, of which EUR 50 million mature in December 2020, EUR 275 million mature in 2021 (from January to August) and EUR 50 million mature in July 2022, accruing an average interest rate of 0.82%. In addition, from the bilateral credit lines signed in fiscal year 2019 in amount of EUR 512 million, an amount of EUR 482 million is still outstanding, of which EUR 50 million mature in December 2020, EUR 212 million mature in 2021 (March and April) and EUR 220 million are extendable by tacit agreement until 2022 (from March to July), accruing an average interest rate of 0.75%. As of September 30, 2020, and 2019, the Company has not drawn any amount out of these credit lines.

As of September 2020, the average cost of the gross debt is of 0.48% (0.5% as of September 30, 2019). As September 30, 2020 and 2019, the Company does not have financing subject to financial covenants.

14. Derivatives

The Company uses derivative financial instruments to hedge the risks to which its activities and transactions related to exchange rate fluctuations are exposed. The breakdown of balances representing the valuation of derivatives on the September 30, 2020 and 2019 Balance Sheet is as follows:

Thousands of euros	Short-term		Long-term	
	Assets (Note 10)	Liabilities (Note 13)	Assets (Note 10)	Liabilities (Note 13)
Year 2020				
Interest rate derivatives				
Interes rates derivatives (Note 13)	-	190	-	240
Foreign currency derivatives				
Foreign currency derivatives	-	2,636	-	-
Total	-	2,826	-	240
Year 2019				
Interest rate derivatives				
Interes rates derivatives (Note 13)	-	-	-	-
Foreign currency derivatives				
Foreign currency derivatives (Note 18)	1,497	979	-	-
Total	1,497	979	-	-

At closing of fiscal years 2020 and 2019, the amount booked under the line item “Exchange differences” of the Statement of Profit and Loss due to the fair value of derivative instruments is a negative exchange difference of EUR 2,621 thousand and positive exchange difference of EUR 1,156 thousand, respectively.

SIEMENS GAMESA uses derivatives as foreign currency hedges to offset the potential volatility effects due to fluctuations in exchange rates on future cash flows from transactions in currencies other than the Company’s functional currency, as well as for certain intragroup monetary transactions carried out by companies with different functional currencies. As of September 30, 2020 and 2019, the total nominal value hedged by currency derivatives is as follows:

Currency	Thousands of euros	
	09.30.2020	09.30.2019
Danish krone	906,263	669,057
United States dollar	197,751	54,858
Sterling pound	93,504	46,291
Norwegian krone	43,964	18,167
Australian dollar	22,284	6,774
Swedish krona	9,569	25,667
Japanese yen	8,073	2,796
New Zealand dollar	3,123	-
Canadian dollar	2,233	30,132
South African rand	908	751
Total	1,287,672	854,493

15. Current tax assets / liabilities and income tax

Since 2002 SIEMENS GAMESA and some of its subsidiaries located in the Basque Country, subject to Bizkaia’s corporate tax regulations, are taxed under the Special Consolidated Tax Regime, being SIEMENS GAMESA the Parent company of this Tax Group. This regime is now regulated under the chapter VI of the title VI of the *Norma Foral 11/2013* (Local Income Tax regulation), of December 5, and the *Norma Foral 2/2018*, of March 21, of the Bizkaia Historical Territory.

Moreover, since 2009, SIEMENS GAMESA and its subsidiaries which meet the requirements are subject to the application of the Special Regime of Value Added Tax for Group Entities included in chapter IX of the title IX of the *Norma Foral 7/1994* of November 9 of Bizkaia which regulates this tax at its basic level, being SIEMENS GAMESA the Parent Company of the Tax Group.

The companies that integrate the Consolidated Tax Group under the Regional Regulations of Bizkaia for the purposes of Corporate Income Tax for the fiscal year 2020 are the following:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Sistemas Energéticos Sierra de Valdefuentes, S.L.U.
Siemens Gamesa Renewable Energy Europa, S.L.U.	Sistemas Energéticos Fonseca, S.A.U.
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Sistemas Energéticos Balazote, S.A.U.
Siemens Gamesa Renewable Energy International Wind Services, S.A.U.	Adwen Offshore, S.L.U.
Siemens Gamesa Renewable Energy Invest, S.A.U.	Sistemas Energéticos Argañoso, S.L.U.
Sistemas Energéticos Tablero Taboro, S.L.U.	Sistemas Energéticos Carril, S.L.U.
Sistemas Energéticos Tarifa, S.L.U.	Sistemas Energéticos Loma del Reposo, S.L.U.
Parque Eólico Dos Picos, S.L.U.	Sistemas Energéticos Cabezo Negro, S.A.U.
Sistemas Energéticos Sierra de Las Estancias, S.A.U.	International Windfarm Developments IX, S.L.U.
International Windfarm Developments II, S.L.U.	Sistemas Energéticos Cuerda Gitana, S.A.U.
Sistemas Energéticos Cuntis, S.A.U.	Sistemas Energéticos Tomillo, S.A.U.
Sistemas Energéticos La Cámara, S.L.U.	Sistemas Energéticos Ladera Negra, S.A.U.
Sistemas Energéticos Argestes, S.L.U.	Sistemas Energéticos Ábrego, S.L.U.
Sistemas Energéticos Céfiro, S.L.U.	Sistemas Energéticos Boreas, S.L.U.
Sistemas Energéticos Gregal, S.L.U.	Sistemas Energéticos Eolo, S.L.U.
Sistemas Energéticos Terral, S.L.U.	Sistemas Energéticos Siroco, S.L.U.
Sistemas Energéticos La Plana, S.A.U.	

The following companies are subject to the aforementioned Special Regime of Value Added Tax for Group Entities in the year 2020:

Siemens Gamesa Renewable Energy, S.A. (parent company)	Siemens Gamesa Renewable Energy Wind Farms, S.A.U.
Adwen Offshore, S.L.U.	Sistemas Energéticos La Cámara, S.L.U.
Sistemas Energéticos La Plana, S.A.U.	Sistemas Energéticos Cabezo Negro, S.A.U.

A. NON-CURRENT AND CURRENT TAX ASSETS AND LIABILITIES

The breakdown between non-current and current balances with Taxation Authorities as of September 30, 2020 and 2019 is the following:

Thousands of euros	09.30.2020	09.30.2019
Non-current receivables		
Deferred tax assets	1,370	920
Current receivables		
Current income taxes receivable	5,125	-
VAT receivable	9,976	7,793
Withholdings and payments on account receivable	1,240	1,454
Total	17,711	10,167
Current payables		
Income tax payable	-	11,546
Accounts payable for withholdings	842	772
Social Security	685	442
Total	1,527	12,760

B. RECONCILIATION BETWEEN REPORTED PROFITS AND TAXABLE PROFITS

Due to the different accounting / tax considerations that certain operations have for the purpose of taxation of Corporate Income Tax, the taxable base for the year differs from the accounting result.

The reconciliation between the accounting result and the tax base of the SIEMENS GAMESA Corporate Income Tax at the individual level is as follows:

Thousands of euros	
Year 2020	
Result before tax	(1,183,596)
Plus (less) Permanent differences	1,146,439
Plus (less) Temporary differences	1,448
Other provisions	
Individual tax base	(35,709)
Plus (less) Eliminations due to consolidated taxation	-
Individual tax base contributed to the Group	(35,709)
Year 2019	
Result before tax	169,107
Plus (less) Permanent differences	(209,913)
Plus (less) Timing differences	
Other provisions	(710)
Individual tax base	(41,516)
Plus (less) Eliminations due to consolidated taxation	-
Individual tax base contributed to the Group	(41,516)

Permanent differences mainly correspond to the non-integration in the tax base of dividends received from its investees and the non-integration of certain portfolio provisions recorded in the current fiscal year that have been considered as non-deductible.

Within the permanent differences, the adjustment related to the income from received dividends, EUR 334 million (Note 18), is included, which generate income that is not integrated into the taxable income tax base (EUR 287 million as of September 30, 2019).

Temporary differences refer to the different accounting / tax allocation criteria for the calculation of the tax base.

C. RECONCILIATION BETWEEN REPORTED PROFITS AND THE INCOME (EXPENSE) FROM CORPORATE INCOME TAX

The reconciliation between reported profits and the Corporate Income Tax and expense is set out below:

Thousands of euros	2020	2019
Result before tax	(1,183,596)	169,107
Impact of permanent differences	1,146,439	(209,913)
Tax payable at 24% (26% in 2019)	8,918	10,610
Regularisation current and deferred taxes, Tax-loss carryforwards of the year not activated	7,229	(11,135)
Total Corporate Income Tax income (expense)	16,147	(525)

D. BREAKDOWN OF INCOME (EXPENSE) FROM CORPORATE INCOME TAX

The detail of the income (expense) from Corporate Income Tax for the periods ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Current tax		
From continuing operations	15,799	(206)
Deferred tax		
From continuing operations	348	(319)
Corporate Income Tax - income (expense)	16,147	(525)

E. RECOGNIZED DEFERRED TAX ASSETS

The breakdown as of September 30, 2020 and 2019 and movements in this account during the year are as follows:

Thousands of euros	10.01.2019	Statement of Profit and Loss	Equity	09.30.2020
Year 2020				
Temporary differences	920	348	-	1,268
Hedge derivatives	-	-	102	102
Total deferred tax assets	920	348	102	1,370

Thousands of euros	10.01.2018	Additions (disposals)	Regularization from changes in the tax rate	Other regularizations	09.30.2019
Year 2019					
Temporary differences	1,239	(185)	(81)	(53)	920
Total deferred tax assets	1,239	(185)	(81)	(53)	920

Deferred tax assets are mainly derived from the different tax / accounting allocation criteria applicable to certain remunerations and long-term incentives of personnel.

During fiscal year 2019, as a result of the reduction of the tax rate approved in Bizkaia applicable from the year 2020 onwards (24%), deferred taxes were assessed in accordance with this tax rate.

The legislation applicable to the current year establishes a temporary limitation of 30 years for the deductions and negative tax bases generated, also establishing that, for those deductions and negative tax bases existing prior to January 1, 2014, the term of 30 years starts counting from January 1, 2014. In the previous year, the temporary limitation was 15 years.

In addition, the applicable legislation, *Norma Foral 2/2018 de 21 de marzo*, amongst other modifications, introduced a reduction of the percentage for the application of deductions with limitation of quota from 45% to 35%, and also has limited the compensation of tax-loss carryforwards, so that in each tax period the compensation may not exceed 50% of the positive tax base prior to said compensation.

As of September 30, 2020, the Tax Group of which SIEMENS GAMESA is the Parent Company has tax-loss carryforwards that have not been registered in the amount of EUR 527,953 thousand (EUR 576,321 thousand as of September 30, 2019).

Generation period	Maturation period	Thousands of euros
2010	2043	1,789
2011	2043	8,701
2012	2043	44,876
2013	2043	143,400
2014	2044	21,430
2015	2045	4,557
2016	2046	21,557
2017	2047	250,306
2018	2048	3,162
2020	2050	28,175
Total		527,953

Additionally, there are tax losses pending of compensation not registered and generated before the taxation in the Special Tax Consolidation Regime for an amount of EUR 362,686 thousand (EUR 362,686 as of September 30, 2019), coming from the company Adwen Offshore, S.L.U. included in the Tax Group in the year 2018.

Likewise, as of September 30, 2020, SIEMENS GAMESA has outstanding tax credits generated prior to its taxation under the Special Tax Consolidation Regime amounting to EUR 4,386 thousand (EUR 4,386 thousand as of September 30, 2019). To the extent that these are tax credits generated prior to the taxation under the Consolidation Regime, such tax credits can only be used with future taxable bases generated by SIEMENS GAMESA itself. Due to the activity of SIEMENS GAMESA, and by application of the criterion of prudence, the Company has not recognized the tax effect of such tax credits, which will be recognized as a reduction in the Corporate Income Tax expense in the periods in which they are effectively applied.

Generation period	Maturation period	Thousands of euros
1998	2043	1,733
1999	2043	16
2000	2043	617
2001	2043	2,020
Total		4,386

On the other hand, as the parent of the Tax Group, SIEMENS GAMESA recognizes as deductions of the Tax Group, if applicable, the deductions pending to be applied as of September 30, 2020 corresponding to the subsidiaries of the Tax Group, for the current period, as well as for previous periods, along with the recognition of the corresponding accounts payable its subsidiaries. As of September 30, 2020, the Tax Group of which SIEMENS GAMESA is the parent has not recognized deductions amounting to EUR 94,970 thousand (EUR 94,270 thousand as of September 30, 2019).

Generation period	Maturation period	Thousands of euros
2009 and previous years	2043	4,931
2010	2043	598
2011	2043	187
2012	2043	2,973
2013	2043	84,842
2014	2044	798
2015	2045	173
2016	2046	193
2017	2047	104
2018	2048	29
2019	2049	142
Total deductions		94,970

Additionally, there are deductions which are not recorded amounting to EUR 25,659 thousand generated by other companies of the Tax Group before the taxation under the Special Tax Consolidation Regime (EUR 25,659 thousand as of September 30, 2019), mainly, coming from the company Adwen Offshore, S.L.U. included in the Tax Group in the year 2018.

As a result of the Corporate Income Tax expense estimates made by the companies of the Tax Group, and of the recognized deductions and tax credits, SIEMENS GAMESA, as the parent of the Tax Group, has booked a decrease in the account receivable from group companies in an amount of EUR 8,069 thousand (an increase of EUR 14,852 thousand in period ended September 30, 2019).

F. YEARS OPEN TO INSPECTION AND TAX AUDIT ACTION

As established by current legislation, taxes cannot be considered to be definitively settled until the relevant returns have been reviewed by the tax authorities or four years have elapsed since filing. As of September 30, 2020, in Spain the Group has all years since 2016 open for review for Corporate Income Tax and for the other taxes to which it is subject to.

The Company considers that all tax returns have been properly prepared and therefore, should there be any dispute regarding the interpretation of the current legislation with respect to the tax treatment of operations, any liabilities that may arise would not significantly affect the accompanying Financial Statements.

16. Guarantees

As of September 30, 2020, SIEMENS GAMESA has granted financing and performance guarantees to companies of SIEMENS GAMESA Group in front of third parties, for an amount of EUR 30,188 million (EUR 24,410 million as of September 30, 2019).

SIEMENS GAMESA considers that the liabilities, if any, that could arise from the obligations and guarantees as of September 30, 2020 and 2019, would not be significant.

17. Income and expenses

A. REVENUE

The "Revenue" for the year ended September 30, 2020 and 2019 corresponds entirely with operations carried out in the domestic territory (Note 18).

B. OTHER OPERATING INCOME, ACCESSORY AND OTHER ORDINARY INCOME

The heading "Other operating income - Accessory and other current income" in the accompanying Statement of Profit and Loss for the year ended September 30, 2020 and 2019 includes an amount of EUR 61,572 thousand and EUR 33,568 thousand (Note 18), respectively, basically related to services rendered by the management of the Company to other group companies for advisory, assistance and support to management and to other departments, in monitoring the business objectives set by the Company.

C. STAFF COSTS

The breakdown of the heading "Staff Costs" in the Statement of Profit and Loss for the year ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Salaries and wages	30,630	21,596
Variable compensation	6,256	3,002
2016-2017 Incentives Plan	-	89
2018-2020 Incentives Plan (Note 12.E)	1,685	2,060
Termination benefits (Note 3.P)	7,745	3,285
Wages, salaries and similar expenses	46,316	30,032
Social security costs	6,092	3,552
Other employee benefits	2,966	3,302
Social security costs	9,058	6,854
Total	55,374	36,886

The item "Variable compensation" includes the amounts accrued during the period for management and other employees of the Company for the achievement of the targets set for the period.

The amount under the "Termination benefits" item for fiscal year 2020 and 2019, corresponds to compensations to several executives of the Company, as well as to the capacity adjustments made to face the changes in the market conditions.

The average number of employees during the years ended on September 30, 2020 and 2019, distributed by professional categories and gender is as follows:

Average number of employees	2020			2019		
	Male	Female	Total	Male	Female	Total
Executives and Top Management	37	7	44	38	9	47
Management	74	42	116	43	23	66
Employees	110	144	254	85	52	137
Total	221	193	414	166	84	250

During the year ended September 30, 2020 the Board of Directors of SIEMENS GAMESA is formed on average by 12 members, 9 males and 3 females, and during 2019 by 13 members, 10 males and 3 females.

The Top Management is formed as average during the year ended September 30, 2020 and 2019 by 7 and 6 members, respectively, all of them male.

The distribution of employees in September 30, 2020 and 2019 is as follows:

Number of employees	09.30.2020			09.30.2019		
	Male	Female	Total	Male	Female	Total
Executives and Top Management	40	7	47	38	9	47
Management	79	48	127	50	24	74
Employees	131	162	293	60	98	158
Total	250	217	467	148	131	279

The Board of Directors is formed by 10 members, 7 males and 3 females as of September 30, 2020 and 13 members, 10 males and 3 females as of September 30, 2019.

The Top Management of SIEMENS GAMESA Group is formed by 6 and 7 members as of September 30, 2020 and 2019, respectively, all of them male.

The increase of the average number of employees in 2020, is due to the centralization of the purchasing and personnel departments in SIEMENS GAMESA. As a consequence of this decision, a large part of the employees of those departments have become part of the personnel of SIEMENS GAMESA.

The average number of employees of SIEMENS GAMESA in 2020 and 2019 with a disability equal to or greater than 33%, by category, is as follows:

Categories	2020	2019
Managers	3	2
Total	3	2

D. OTHER OPERATING EXPENSES

The breakdown of the "External Services" and "Taxes other than income tax" under the heading "Other operating expenses" in the Statement of Profit and Loss for the year ended September 30, 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Leases and royalties	2,201	4,891
Repairs and maintenance	334	839
Independent professional services	71,853	51,627
Transport costs	21	13
Insurance premiums	4,418	5,512
Bank commissions	12,956	5,342
Advertising, publicity and public relations	2,535	880
Utilities	498	899
Other services	12,519	9,735
Other taxes	8	27
Total	107,343	79,765

The increase of the heading "Independent professional services" is mainly due to the transaction costs of the acquisitions described in Note 1.B.

As of September 30, 2020 and 2019, the future minimum lease payments under non-cancellable operating leases arranged by SIEMENS GAMESA amount approximately to EUR 1,097 thousand and EUR 2,150, respectively. The breakdown by maturity of payments of the non-cancellable operating lease instalments is as follows:

Thousands of euros			
09.30.2020	2021	2022-2025	2026 onwards
Non-cancellable operating lease instalments	492	527	78

Thousands of euros			
09.30.2019	2020	2021-2024	2025 onwards
Non-cancellable operating lease instalments	1,074	1,028	48

The decrease mainly corresponds to the change of the ownership of some of the lease contracts, mainly in Pamplona, which have been assumed by other companies of the Group. As of September 30, 2020 and 2019, the Company

maintains various lease contracts, mainly related with offices located in Zamudio and Madrid. There are no material car lease contracts.

E. EXCHANGE DIFFERENCES

Note 4.A provides a breakdown of the assets and liabilities denominated in foreign currency as of September 30, 2020 and 2019.

The exchange differences recognized in the Statement of Profit and Loss, except for those caused by financial instruments measured at fair value with changes in the Statement of Profit and Loss (Note 14), amount to EUR 3,043 thousand (income) and EUR 345 thousand (income) in fiscal years 2020 and 2019, respectively.

18. Transactions and balances with related parties

A. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The balances maintained with group companies and related parties, without considering the investments in Group companies and associates, as of September 30, 2020 and 2019 are as follows:

Thousands of euros		2020						
Company	Country	Long-term credits to group companies and associates (Note 9)	Receivables from group, associates and related companies (Note 10)	Short-term credits to group companies and associates (Note 10)	Derivative assets (Notes 10 and 14)	Derivative liabilities (Note 14)	Short-term payables to group companies and associates	Suppliers, group, associates and related companies
Siemens Energy Group	Germany	-	-	-	-	-	-	40
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	-	1,920	196,205	-	-	374,294	23,099
Siemens Gamesa Renewable Energy Pty Ltd	Australia	-	556	-	-	-	40,683	-
Siemens Gamesa Renewable Energy GmbH	Austria	-	23	8,531	-	-	258	62
Siemens Gamesa Renewable Energy Eólica, S.L.U.	Spain	-	8,107	1,084,156	-	-	131	83
Siemens Gamesa Renewable Enerji Anonim Sirketi	Turkey	-	1,647	570	-	-	-	-
Siemens Gamesa Renewable Energy S.A.S.	France	-	1,327	-	-	-	110,073	-
Siemens Gamesa Renewable Energy NV	Belgium	-	1,052	-	-	-	25,574	-
Siemens Gamesa Renewable Energy B.V.	Netherlands	-	3,523	-	-	-	79,396	-
Siemens Gamesa Renewable Energy AB	Sweden	-	678	-	-	-	44,121	940
Siemens Gamesa Renewable Energy Limited	United Kingdom	-	5,521	138,105	-	-	246,652	-
Siemens Gamesa Renewable Energy Limited	Ireland	-	183	-	-	-	23,557	-
Siemens Gamesa Renewable Energy AS	Norway	-	1,610	-	-	-	59,908	-
Siemens Gamesa Renewable Energy, Inc.	United States	-	10,573	-	-	-	168,167	-
Siemens Gamesa Renewable Energy SARL	Morocco	-	450	12,932	-	-	-	3
Siemens Gamesa Renewable Energy A/S	Denmark	-	15,466	-	-	-	851,001	3,187
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	-	260	377,286	-	-	-	-
Adwen Offshore, S.L.U.	Spain	-	29	-	-	-	730,583	-
Gamesa Wind (Tianjin) Co., Ltd.	China	-	5,149	-	-	-	-	-
Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco	-	420	80,887	-	-	-	7
Siemens Gamesa Renewable Energy Limited	Canada	-	438	-	-	-	4,286	81
Siemens Gamesa Renewable Energy Latam, S.L.	Spain	-	201	-	-	-	12,638	-
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	-	416	39,601	-	-	-	-
Siemens Gamesa Renewable Energy Offshore Wind Limited	Taiwan	-	4,608	-	-	-	53,242	-
Siemens Gamesa Renewable Energy d.o.o.	Croatia	-	61	9,296	-	-	-	-
Other SIEMENS GAMESA Group companies	-	-	15,237	11,405	-	-	11,493	8,210
Siemens AG	Germany	-	-	-	-	-	235,040	114
Total balances, group companies and associates		-	79,455	1,958,974	-	-	3,071,097	35,826

Thousands of euros		2019						
Company	Country	Long-term credits to group companies and associates (Note 9)	Receivables from group, associates and related companies (Note 10)	Short-term credits to group companies and associates (Note 10)	Derivative assets (Notes 10 and 14)	Derivative liabilities (Note 14)	Short-term payables to group companies and associates	Suppliers, group, associates and related companies
Siemens AG	Germany	-	-	-	1,497	979	264,266	3,586
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	-	1,508	35,839	-	-	278,261	22,149
Siemens Gamesa Renewable Energy Pty Ltd	Australia	-	784	-	-	-	26,297	-
Siemens Gamesa Renewable Energy GmbH	Austria	-	13	8,185	-	-	309	65
Siemens Gamesa Renewable Energy Eólica, S.L.U.	Spain	380,000	11,027	82,344	-	-	131	-
Siemens Gamesa Renewable Enerji Anonim Sirketi	Turkey	-	826	2,206	-	-	-	-
Siemens Gamesa Renewable Energy S.A.S.	France	-	51	-	-	-	57,914	-
Siemens Gamesa Renewable Energy NV	Belgium	-	445	-	-	-	33,829	-
Siemens Gamesa Renewable Energy B.V.	Netherlands	-	549	-	-	-	67,039	-
Gamesa Energy Transmission, S.A.U.	Spain	-	1	-	-	-	19,828	-
Siemens Gamesa Renewable Energy AB	Sweden	-	198	-	-	-	25,456	-
Siemens Gamesa Renewable Energy Limited	United Kingdom	-	1,772	101,927	-	-	72,241	-
Siemens Gamesa Renewable Energy Limited	Ireland	-	81	-	-	-	2,287	-
Siemens Gamesa Renewable Energy AS	Norway	-	508	-	-	-	10,339	-
Siemens Gamesa Renewable Energy, Inc.	United States	-	5,341	-	-	-	161,134	-
Siemens Gamesa Renewable Energy SARL	Morocco	-	94	4,534	-	-	-	-
Siemens Gamesa Renewable Energy A/S	Denmark	-	13,519	-	-	-	637,809	3,423
Siemens Gamesa Renewable Energy Wind Farms, S.A.U.	Spain	120,000	10	148,692	-	-	-	-
Adwen Offshore, S.L.U.	Spain	-	155	-	-	-	717,643	-
Siemens Gamesa Renewable Energy Technology (China) Co. Ltd.	China	-	4,439	-	-	-	-	-
Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco	-	2	78,442	-	-	-	105
Siemens Gamesa Renewable Energy Latam, S.L.	Spain	-	-	-	-	-	11,455	522
Siemens Gamesa Renewable Energy Apac, S.L.	Spain	-	8	-	-	-	15,001	-
Siemens Gamesa Renewable Energy Deutschland GmbH	Germany	-	-	8,801	-	-	-	-
Siemens Gamesa Renewable Energy Limited	Canada	-	35	-	-	-	30,584	-
Other SIEMENS GAMESA Group companies	-	-	10,674	24,490	-	-	17,461	3,631
Total balances, group companies and associates		500,000	52,040	495,460	1,497	979	2,449,284	33,481

B. RELATED-PARTY TRANSACTIONS

The breakdown of the transactions with group companies, associates and related parties during the year ended September 30, 2020 and 2019 is as follows:

Thousands of euros	Siemens Energy Group	Siemens AG	Other Siemens Group companies	SIEMENS GAMESA Group companies	Associates	Total
Year 2020						
Dividends from investments in group companies and associates	-	-	-	333,908	-	333,908
Income from credits to group companies and associates	-	-	-	37,568	-	37,568
Accessory and other current revenues	-	-	-	61,572	-	61,572
External services (*)	750	7,546	646	32,830	-	41,772
Financial expenses on debts to group companies and associates	-	-	-	962	-	962
Other financial results (**)	-	3,535	-	-	-	3,535
Year 2019						
Dividends from investments in group companies and associates	-	-	-	286,503	-	286,503
Income from credits to group companies and associates	-	-	-	32,262	-	32,262
Accessory and other current revenues	-	-	-	33,568	-	33,568
External services	-	10,169	1,523	27,342	584	39,618
Financial expenses on debts to group companies and associates	-	-	-	2,676	-	2,676
Other financial results (**)	-	123	-	-	-	123

(*) The amount of "External services" with Siemens AG mainly belongs to a service agreement for procurement services signed on August 1, 2018 and the service agreement on specific accounting related topics signed on October 1, 2018.

(**) This amount belong to exchange rate differences.

Dividends from investments in group companies and associates

During the years 2020 and 2019 the following "Dividends from investments in group companies and associates" have been approved:

Thousands of euros			
Company	Country	Dividend	Date of approval
Year 2020			
Siemens Gamesa Renewable Energy A/S	Denmark	254,245	January 8, 2020
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	56,310	June 23, 2020
Siemens Gamesa Renewable Energy NV	Belgium	12,267	December 16, 2019
Siemens Gamesa Renewable Energy B.V.	Holland	5,228	January 7, 2020
Siemens Gamesa Renewable Energy Sp.z.o.o.	Poland	2,248	May 20, 2020
Siemens Gamesa Renewable Energy (PTY) Ltd	South Africa	2,172	February 14, 2020
Siemens Gamesa Renewable Energy Limited	Thailand	1,438	January 31, 2020
Total dividends received		333,908	
Year 2019			
Siemens Gamesa Renewable Energy A/S	Denmark	136,761	January 28, 2019
Siemens Gamesa Renewable Energy Limited	United Kingdom	79,296	September 30, 2019
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	22,744	May 21, 2019
Siemens Gamesa Renewable Energy Limited	Canada	20,096	June 24, 2019
Siemens Gamesa Renewable Energy BVBA	Belgium	10,081	January 8, 2019
Siemens Gamesa Renewable Energy B.V.	Netherlands	8,302	February 21, 2019
Siemens Gamesa Renewable Energy S.A.S.	France	2,280	February 28, 2019
Siemens Gamesa Renewable Energy d.o.o.	Croatia	2,109	June 13, 2019
Siemens Gamesa Renewable Energy (PTY) LTD	South Africa	1,743	December 7, 2018
Siemens Gamesa Renewable Energy Limited	South Korea	940	December 28, 2018
Siemens Gamesa Renewable Energy Limited	Thailand	843	January 18, 2019
Siemens Gamesa Renewable Energy Sp.z.o.o.	Poland	662	April 1, 2019
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	646	January 23, 2019
Total dividends received		286,503	

Main financing arrangements between SIEMENS GAMESA Group companies

Long-term credits to group companies and associates

On September 30, 2020 there are no long-term credits since the three existing credits as of September 30, 2019 mature in the short-term (maturity during fiscal year 2021).

Short-term credits to group companies and associates

On July 2, 2018 a credit was granted to Siemens Gamesa Renewable Energy Eólica S.L. U. (Spain) for EUR 200,000 thousand and whose maturity will be July 2, 2021. This credit accrued interests of EUR 2,440 thousand and EUR 2,327 thousand during the fiscal year 2020 and 2019, respectively, which are pending of collection on September 30, 2019 and 2018 and therefore, registered under the heading "Short-term credits to group companies and associates". In addition, on July 24, 2018 another credit was granted to the Company amounting to EUR 180,000 thousand and whose maturity will be July 23, 2021, accruing interests of EUR 2,196 thousand and EUR 1,920 thousand during the fiscal years 2020 and 2019, respectively.

On July 3, 2018 a credit was granted to Siemens Gamesa Renewable Energy Wind Farms, S.A. (Spain) for an amount of EUR 120,000 thousand and whose maturity will be June 30, 2021. This credit has accrued interests of EUR 1,464 thousand and EUR 1,397 thousand during the fiscal years 2019 and 2018, respectively, which are pending of collection on September 30, 2020 and 2019, and therefore registered under "Short-term credits to group companies and associates".

On January 15, 2018 a credit was granted to Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain) for an amount of EUR 140,000 thousand, accruing interests of EUR 854 thousand for the year 2019. Both credit and interests were fully amortized as of the closing of the year 2019.

On January 29, 2019, another credit was granted to the same company with a limit of EUR 180,000 thousand, whose first drawdown amounted to EUR 142,900 thousand. This amount has been reduced during the year, presenting on September 30, 2020 an amount of EUR 129,364 thousand, accruing a total amount of interests of EUR 866 thousand and EUR 729 thousand during 2020 and 2019, and which are pending of collection as of the closing of the year.

As of September 30, 2020 there is still a credit with Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (Spain) amounting to EUR 99,214 thousand (EUR 99,214 thousand for the year ended September 30, 2019). The interest accrued in the years 2020 and 2019 for that credit amounts to EUR 1,210 thousand and EUR 1,410 thousand, respectively, and are pending of collection as of September 30, 2020 and 2019.

On February 20, 2018 a credit was granted to Siemens Gamesa Renewable Energy Eólica S.L.U. (Spain) for an initial amount of EUR 100,000 thousand and extended on April 3, 2018 to EUR 170,000 thousand and on May 21 to EUR 270,000 thousand. There was a new extension on January 1, 2019 to reach the limit of EUR 520,000 thousand. On January 16, 2020 an extension of this credit limit up to EUR 800,000 thousand has been signed. The drawdown of this credit as of September 30, 2020 amounts to EUR 664,922 thousand. The interests accrued during the years 2020 and 2019 amounted to EUR 6,385 thousand and EUR 4,625 thousand, respectively. They are pending of collection as of September 30, 2020 and 2019.

As of October 22, 2018, SIEMENS GAMESA granted to the same company a short-term loan of EUR 100,000 thousand, accruing in this period EUR 287 thousand. This loan and the interests had been settled in January 2019.

As of May 14, 2019, a credit was granted to Siemens Gamesa Renewable Energy, S.A. de C.V. (Mexico) in amount of USD 15,000 thousand. On May 13, 2020 this credit was cancelled. It has accrued interests amounting USD 216 thousand (equivalent to EUR 193 thousand), which are pending of collection on September 30, 2020 and 2019, included in the line item of "Other SIEMENS GAMESA group companies".

On December 30, 2019, a credit was granted to Siemens Gamesa Renewable Energy 9REN, S.L.U. in amount of EUR 2,500 thousand. The drawdown of this credit on September 30, 2020 amounts to EUR 1,330 thousand. The interests accrued during the year 2020 amount to EUR 5 thousand. They are pending of collection as of September 30, 2020.

Additionally, as of September 30, 2020 and 2019, SIEMENS GAMESA has credits granted at market conditions amounting to EUR 490,770 thousand and EUR 279,129 thousand, respectively, to Group companies under the SIEMENS GAMESA Cash Management System.

This system is based on the premise that all transactions between certain group companies are managed through SIEMENS GAMESA, which records amounts receivable from group companies and payable to the parent company of SIEMENS Group, so that it minimizes its receivable positions with group companies.

Interest accrued during the years ended September 30, 2020 and 2019 on the SIEMENS GAMESA Cash Management System added up EUR 23,002 thousand and EUR 18,520 thousand, respectively, included under the heading "Revenue - Income from credits to group companies and associates" of the Statement of Profit and Loss.

Short-term payables to group companies and associates

As of September 30, 2020 and 2019 SIEMENS GAMESA has loans to group companies amounting to EUR 3,059,646 thousand and EUR 2,412,931 thousand, respectively, under SIEMENS GAMESA Cash Management system.

Interest accrued during 2020 and 2019 on these payables amount to EUR 935 thousand and EUR 2,667 thousand, respectively, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

On July 2, 2019 Siemens Gamesa Renewable Energy Latam, S.L. granted a credit to SIEMENS GAMESA for an amount of EUR 30,000 thousand. The initial drawdown was EUR 6,900 thousand, amounting as of September 30, 2020 to an amount of EUR 12,610 thousand. Interest accrued during 2020 and 2019 on this credit amounts to EUR 23 thousand and EUR 5 thousand, respectively, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

On September 25, 2020 Siemens Gamesa Renewable Energy Latam, S.L. granted a credit to SIEMENS GAMESA for an amount of USD 50,000 thousand. There has been no drawdowns of this credit until September 30, 2020.

On July 2, 2019 Siemens Gamesa Renewable Energy 9REN, S.L.U. granted a credit to SIEMENS GAMESA for an amount of EUR 5,000 thousand. The initial drawdown was EUR 3,500 thousand, amounting as of September 30, 2020 to EUR 0 thousand. Interest accrued during 2020 and 2019 on this credit amounts to EUR 2 thousand and EUR 3 thousand, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss, included in the line item of "Other SIEMENS GAMESA group companies".

On September 25, 2019 Siemens Gamesa Renewable Energy Apac, S.L. granted a credit to SIEMENS GAMESA for an amount of EUR 20,000 thousand, of which an amount of EUR 15,000 thousand has been drawn. On September 24, 2020 this credit was cancelled. Interests accrued during 2020 and 2019 on this credit amount to EUR 2 thousand and EUR 1 thousand, recognized under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

C. TRANSACTIONS WITH SIEMENS GROUP

Goods and services purchased

On June 17, 2016, SIEMENS GAMESA and SIEMENS signed a Strategic Alliance Agreement, relating to the framework for the supervision of the strategic relationship between the parties and which included, as part of the strategic partnership established, the intention of the parties to conclude the so called "Implementation Agreements".

One of such signed "Implementation Agreements" is the Strategic Supply Agreement by virtue of which SIEMENS became the strategic SIEMENS GAMESA supplier of gears, segments, and other products and services offered by SIEMENS for the wind power business. The award system set out therein ensures that the supplies will be carried under market conditions, as well as the involvement of and access to other suppliers. In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS signed in May 2020 an Extension and Amendment Agreement to the Strategic Supply Agreement (as further detailed below).

On March 31, 2017, SIEMENS GAMESA and SIEMENS entered into a Trademark and Name Use License Agreement by virtue of which SIEMENS GAMESA was entitled to use the SIEMENS brand during the period in which SIEMENS: (a) directly or indirectly holds more than 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as SIEMENS holds the majority of Board of Director voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Accordingly, in the context of SIEMENS ENERGY Spin-Off, this Trademark and Name Use License Agreement has expired.

On May 4, 2017 SIEMENS GAMESA and SIEMENS signed a Framework Agreement concerning the relationship between the parties. In the context of SIEMENS ENERGY Spin-Off, this Framework Agreement is no longer in force.

On August 1, 2018, SIEMENS GAMESA and SIEMENS entered into an external services agreement (hereinafter, "ESA") (as amended in September 2019) by which SIEMENS provides procurement services enabling SIEMENS GAMESA Group to benefit from collective bargaining power. The initial term of the ESA was 1 year for operational procurement services while the initial term for other procurement services was 2 years from effective date, both extendable for 2 additional years. ESA was as of September 2019 extended until end of July 2022, although certain services will terminate in March/April 2021 as a result of a termination notice issued by SIEMENS GAMESA to SIEMENS.

On August 20, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy GmbH & Co. KG and SIEMENS entered into a contractual agreement (in the form of a memorandum of understanding) by which both parties cooperate in the development and deployment of thermal energy storage systems. The project is co-funded by the Federal Ministry of Economic Affairs and Energy of Germany.

On September 3, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy LLC, and SIEMENS, through its subsidiary OOO Siemens Gas Turbine Technologies, entered into a contract manufacturing agreement for the assembly of wind turbines for the Russian market. The initial term is set to 3 years.

On October 1, 2018, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on specific accounting related topics. This agreement has expired on September 30, 2020.

On January 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support for administration of Intellectual Property related matters.

On April 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides licenses for Teamcenter software maintenance and original equipment manufacturer support utilized for managing the product development process. This agreement has been extended until September 30, 2021.

During fiscal years 2020 and 2019, SIEMENS GAMESA Group has purchased supplies for the Wind Turbine construction from SIEMENS Group, from the SIEMENS divisions "Process Industries and Drives" and "Energy Management". In addition, SIEMENS Group provided services to SIEMENS GAMESA Group based on Transitional Service Agreements for IT services, tax services, selling support, human resources, legal, treasury services and corporate finance services, among others.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on manpower for United States onshore projects.

On October 1, 2019, SIEMENS GAMESA and SIEMENS entered into service agreements by which SIEMENS provides sales support and government affairs support.

During fiscal years 2020 and 2019, SIEMENS GAMESA and SIEMENS extended same existing office lease agreements and also new office lease agreements have been signed.

During fiscal year 2020, SIEMENS GAMESA and SIEMENS extended several existing license agreements, and license maintenance and service agreements.

On May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an "umbrella" for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements covered under the Umbrella Agreement:

Agreements signed with SIEMENS

- Trademark and Name Use (Sub-) Licensing Agreement with a fixed initial term of 10 years for a worldwide, fully paid up right – and also obligation - to use the trademark and designation "SIEMENS" to SIEMENS GAMESA and as long as SIEMENS has a trademark licensing agreement with SIEMENS ENERGY and provided, inter alia, that SIEMENS ENERGY remains the controlling shareholder of SIEMENS GAMESA.

- Amendment Agreement to the Service Agreement regarding the use of SIEMENS's cash management tool, in order to continue using that tool after the Spin-off.
- Amendment of the contractual conditions of the Guarantee Facility Agreements (hereinafter, "GFA") for the existing guarantee portfolio with SIEMENS to adapt the new conditions applicable for SIEMENS not being a majority shareholder of SIEMENS GAMESA. Essentially the agreement is continued until the expiration of the guarantees. Although the level of fees paid for the guarantees does increase especially during the first two years (compared to the period during which SIEMENS GAMESA was still part of SIEMENS), the fee level has been substantially reduced compared to the original applicable contractual stipulations for the scenario.
- Extension and Amendment Agreement to the Strategic Supply Agreement for future supply of components and services from SIEMENS. The scope of the Strategic Supply Agreement includes, inter alia, the supply by SIEMENS to SIEMENS GAMESA of segments and gears.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS also signed the following agreements:

- On August 13, 2020, Preferred Financing Agreement which provides a framework whereby the parties collaborate in the development and execution of financial solutions - through Siemens Financial Services ("SFS") and related Financing Entities - towards customers using SIEMENS GAMESA technology and/ or services.
- On August 20, 2020, US Government Affairs & Lobbying Support for government affairs support from Siemens Corporation in Washington DC.
- On September 24, 2020, Service Contract for the SIEMENS common Remote Service Platform classic ("cRSP") which is a Siemens proprietary platform used to provide secure remote access to Wind Turbines equipment and it is used by SIEMENS GAMESA to get remote access to legacy Siemens Wind Power wind farm systems and components.
- On September 1, Service Contract for the SIEMENS Extensible Security Testing Appliance ("SiESTA") which is an appliance box for extensive security testing of industrial IT systems that provides vulnerability scanning services.

Agreements signed with SIEMENS ENERGY

Detailed below in Section G.

Guarantees provided between SIEMENS GAMESA Group and SIEMENS Group

As of September 30, 2020, SIEMENS Group has provided guarantees to third parties for the performance of SIEMENS GAMESA Group amounting to EUR 11,414 million (EUR 21,204 million as of September 30, 2019).

In December 2018, SIEMENS GAMESA and SIEMENS entered into an agreement by which SIEMENS GAMESA issued a technical guarantee to SIEMENS related to several repowering projects in United States involving tax equity investment from SIEMENS.

Share-based payments

Certain employees of SIEMENS GAMESA Group that have transferred from other SIEMENS Group entities participate in share-based payment awards implemented by SIEMENS. SIEMENS delivers the respective shares on behalf of SIEMENS GAMESA. Due to the limited extent of participation in the share-based programs, the effect on the Financial Statements is not significant in the periods presented. These programs are ended as of September 30, 2020.

Hedging and derivatives

SIEMENS GAMESA Group's hedging activities were partially performed via SIEMENS and Siemens Capital Company LLC on an arm's length basis until March 2020. The consideration was based on the market rates. The outstanding

portfolio of hedges with SIEMENS and Siemens Capital Company LLC was terminated and transferred to external banks during September 2020, before the SIEMENS ENERGY Spin-off.

On February 2019, SIEMENS GAMESA, issued a guarantee to SIEMENS regarding the provided hedging services amounting to approximately 3% of the outstanding hedging volume. The parent company guarantee expiration was linked to the termination of the hedging contracts with SIEMENS and Siemens Capital Company LLC, which are already finished as of September 30, 2020.

Insurance program

At the end of September 2017, SIEMENS GAMESA, as a company member of SIEMENS Group, adhered, with effective date from October 1, 2017, to a global stand-alone insurance program including all-risk property damages insurance policies, civil liability insurance policies, transport, chartering of ships and all-risk construction insurance policies. Siemens Financial Services acts as insurance broker and service provider for the Global Insurance Program. This ended on September 30, 2019.

D. AGREEMENTS WITH THE IBERDROLA GROUP RELATED TO THE WIND TURBINES AND OPERATIONS AND MAINTENANCE SEGMENTS

On February 4, 2020, Iberdrola Participaciones sold all its shares at SIEMENS GAMESA to SIEMENS. At the same date, Iberdrola, SIEMENS and SIEMENS GAMESA signed a cooperation agreement that covers certain wind power projects. For these projects, Iberdrola, as a customer of SIEMENS and SIEMENS GAMESA, will grant these companies exclusive negotiation rights for a limited period of time.

From February 5, 2020, Iberdrola is no longer a related party of SIEMENS GAMESA (Note 1.C).

SIEMENS GAMESA Group, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U. and Iberdrola, S.A., concluded on December 21, 2011 a framework agreement relating to the supply and maintenance of wind turbines. Under that framework agreement, SIEMENS GAMESA Group and Iberdrola, S.A. assumed the following commitments:

- Iberdrola, S.A. shall acquire from SIEMENS GAMESA Group a quota of megawatts equivalent to 50% of the total onshore wind turbine fleet that Iberdrola, S.A. acquires for its Renewables Business Unit during the term of the framework agreement.

This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by the Iberdrola Group from SIEMENS GAMESA Group totals 3,800 MW, whichever occurs first.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), no sales were made in the framework of the abovementioned contract (approximately 110 MW during the first half of fiscal year 2019).

- SIEMENS GAMESA and Iberdrola, S.A. will closely collaborate with new opportunities relating to the offshore wind business.
- SIEMENS GAMESA and Iberdrola, S.A. will collaborate within the area of maintenance services so that Siemens Gamesa Renewable Energy Eólica, S.L.U. will become a company of reference with respect to wind farm maintenance throughout the Iberdrola Group's business.
- Likewise, during the period different minor components have been delivered, mainly spare parts.

In April 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U., closed an agreement with the Iberdrola Group for the maintenance of wind farms in the Iberian Peninsula of about 1,265 MW for a period of 2 years plus another optional year.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), the total of MW under maintenance in the Iberdrola Group's wind farms approximately amounted to 4,200 MW. An agreement for the supply of spare parts and repairs was currently in force, with an end date of December 2020.

In addition, in October 2015, SIEMENS GAMESA Group and the Iberdrola Group reached an agreement to implement the product Energy Thrust, aimed to increase the efficiency of the turbines and their production ratios, for a total of 1,602 MW.

In December 2016, a later addendum to the previous contract was signed extending it by additional 612 MW for the 2 MW platform. Moreover, for different companies in the Iberdrola Group an additional 795 MW was negotiated.

In July 2018, an agreement has been reached with the Iberdrola Group for the installation and activation of the Energy Thrust product in 941 wind turbines of the Avangrid Fleet, and in August 2018, for the installation and activation of the same product in part of the Scottish Power's fleet. The former, finalized in December 2018 and the latter was still ongoing at the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C).

In December 2018, SIEMENS GAMESA signed an agreement with Iberdrola Group for the sale of two special purpose vehicles for two windfarms in Spain with a total of approximately 70 MW. In July 2019, SIEMENS GAMESA closed an agreement with the Iberdrola Group for the sale of one special purpose vehicle for a windfarm in Spain with a total of approximately 49 MW.

In January and February 2019, SIEMENS GAMESA signed several long-term service agreements with the Iberdrola Group for several windfarms in Spain with a total of 106 MW.

Finally, in May 2019, SIEMENS GAMESA signed a supply agreement contract for high voltage electricity with Iberdrola in Spain for a 3 years period.

Until the time of the sale of the shares that Iberdrola had in SIEMENS GAMESA (Note 1.C), several sales were made amounting to 202 MW. Additionally, several short and mid-term service agreements were made.

E. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND WINDAR RENOVABLES, S.L.

On June 25, 2007 SIEMENS GAMESA Group (through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L.U.) signed a tower supply agreement with Windar Renovables, S.L. On September 4, 2019, both parties signed a tower supply agreement for fiscal year 2020, in which SIEMENS GAMESA Group guaranteed Windar Renovables, S.L. 90% of the tower demand in region SE&A (included in EMEA geographical area).

In 2020, SIEMENS GAMESA Group and Windar Renovables, S.L. have signed a tower supply agreement for an offshore windfarm.

The conditions for transactions with associates are equivalent to those carried out with independent parties.

F. AGREEMENTS BETWEEN SIEMENS GAMESA GROUP AND SCHAEFFLER TECHNOLOGIES AG & CO. KG

On September 28, 2018, SIEMENS GAMESA Group reached a settlement agreement with Schaeffler Technologies AG & Co. KG regarding a previous supply contract. This agreement consisted mainly of a payment to SIEMENS GAMESA Group in amount of EUR 4,000 thousand. During 2019 this amount was collected while other aspects of the settlement were modified mainly to components supply.

SIEMENS GAMESA Group and Schaeffler Technologies AG & Co. KG have a Master Framework Agreement for the price and volume of procurements entered into before the Merger effective date (through SIEMENS).

During fiscal year 2020, SIEMENS GAMESA and Schaeffler Technologies AG & Co. KG signed purchase agreements for components, spare parts and services.

G. TRANSACTIONS WITH SIEMENS ENERGY GROUP

Agreements signed with SIEMENS ENERGY Group

As mentioned above (Note 18.C), on May 20, 2020, SIEMENS GAMESA, SIEMENS and SIEMENS ENERGY signed an Umbrella Agreement, that serves as an “umbrella” for all agreements to be concluded between the parties in the context of SIEMENS ENERGY Spin-off. The following sets out the agreements between SIEMENS GAMESA and SIEMENS ENERGY covered under the Umbrella Agreement:

- External Service Agreement for the provision of software licenses and software license-related services by which SIEMENS ENERGY will manage specific software products and related services centrally to provide cost-effective and compliant services.
- Agreement on Siemens Guarantees with SIEMENS ENERGY as a joint and several guarantors in favor of SIEMENS under the GFA (as defined in the Note 18.C). As of September 30, 2020, SIEMENS ENERGY has provided counter-guarantees to SIEMENS in amounting of EUR 11,414 million to counter-guarantee the Parent Company Guarantees (PGC) and Corporate bonds issued by SIEMENS to SIEMENS GAMESA Group companies.
- Agreement on Netting and Settlement of Group Internal receivables and Payables for Goods and Services. The aim is to continue participating in SIEMENS Group internal netting and settlement system.
- Strategic Alliance Agreement (hereinafter, “SAA”) with SIEMENS ENERGY as successor to existing SAA with SIEMENS. Scope of the SAA provides a framework for the supervision of the strategic relationship between the parties and follows the evolution of three agreements:
 - Strategic Supply Agreement for future supply of transformers and related services from SIEMENS ENERGY.
 - Key Account Management Service Agreement under which SIEMENS ENERGY and SIEMENS GAMESA provide sales support services to each other for a list of agreed common key customers.
 - Regional Support Agreement with the possibility for SIEMENS GAMESA to benefit from SIEMENS ENERGY worldwide country setup in the area of sales and marketing such as customer relationship management, proposal management, sales support and administration, sales consulting, marketing, market research and analysis, outbound marketing, promotion and event management.
- Framework Agreement setting forth certain rights and obligations concerning the relationship between the parties.

In the context of SIEMENS ENERGY Spin-off, SIEMENS GAMESA and SIEMENS ENERGY also signed the following agreements:

- Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of IT-related services to cover a small subset of the original service portfolio that SIEMENS GAMESA was receiving from SIEMENS.
- On 31 August 2020, a Service Agreement for the provision by SIEMENS ENERGY to SIEMENS GAMESA of HR-related services for the “Workday” and “Concur” platforms.

On October 1, 2020, SIEMENS GAMESA and SIEMENS ENERGY entered into a service agreement by which SIEMENS will provide corporate accounting support services until September 30, 2022.

19. Directors' remuneration

In the years 2020 and 2019, the Directors of SIEMENS GAMESA earned compensations for membership and assistance to the Board and Board's Committees, when applicable, salary, severance, variable compensation in cash, long-term savings system and other concepts amounting to approximately EUR 4,885 thousand and EUR 3,498 thousand, respectively. The breakdown of Directors' compensation is as follows:

Thousands of euros	2020	2019
Members of the Board of Directors		
Type of remuneration		
Compensation for membership of the Board and Board's Commissions	1,714	1,808
Salaries	908	1,027
Severance payment	1,623	-
Variable compensation in cash	402	428
Long-term savings system	215	167
	4,862	3,430
Other concepts	23	68
Total	4,885	3,498

The amount "Severance Payment" in fiscal year 2020 corresponds to the compensations received by the previous Chief Executive Officer for the following concepts: (i) non-competition covenant amounting EUR 718 thousand, (ii) no advance notice amounting EUR 179 thousand, (iii) housing expenses amounting EUR 9 thousand and (iv) severance payment as such amounting EUR 718 thousand.

The amount of "Other concepts" for the year 2020 corresponds to the amount of the premiums paid for the coverage of death and disability insurances amounting EUR 23 thousand. In 2019, the amount "Other concepts" amounting EUR 68 thousand included additionally the allocation of the Group insurance for executives, directors and other employees, which is not included in the table above for fiscal year 2020 as it does not strictly constitute a remuneration for tax purposes.

No advances or loans are given to current or prior Board members, and there are no pension obligations with them. Only the Chief Executive Officer receives contributions for pensions amounting EUR 215 thousand (includes EUR 167 thousand of the outgoing Chief Executive Officer) and EUR 167 thousand, respectively, during the financial years 2020 and 2019. Those amounts are included in the long-term savings system section in the table above.

Likewise, derived from his previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), the previous Chief Executive Officer has recognized rights on shares of SIEMENS derived from incentives granted before the Merger. During the fiscal year ended 2020 and 2019 the payment has amounted to EUR 771 thousand and EUR 873 thousand, respectively, which is not included in the table above since there is no cost for the Company.

Also, within the remunerations to the Chief Executive Officers as of September 30, 2020 and 2019, the provision recorded for the three cycles of the Long-Term Incentive Plan 2018-2020 has not been included, which amounts to EUR 488 thousand in 2020 (out of which EUR 383 thousand correspond to the outgoing Chief Executive Officer's profit accrual) and EUR 337 thousand in 2019. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the objectives of the first cycle of the Long-Term Incentive Plan, which will result in the delivery of: 41,685 shares to the CEOs (current and former). These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 984 thousand. This amount does not

correspond to the cost accrued for accounting purposes in accordance with the applicable accounting regulations, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Finally, the current Chief Executive Officer has a contractual agreement to receive a financial compensation in the event of termination for reasons attributable to the Company. The financial compensation agreed for such termination consists of the payment of a compensation up to a maximum of his annual fixed cash compensation according to the Board members remuneration policy approved in the General Shareholders meeting of March 27, 2019 and modified in the General Shareholders meeting of July 22, 2020.

At the end of 2020 the members of the Board of Directors of SIEMENS GAMESA and certain people related to them as defined in the Spanish Companies Act held ownership interests in the following companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's purpose. Also, following is a breakdown of the positions held and functions discharged at those companies:

Owner	Investee company	Line of Business	Number of Shares		Functions
Nauen, Andreas	SIEMENS ENERGY AG	Power & Utilities	100	-	
Nauen, Andreas	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	200	-	
Nauen, Andreas	NKT A/S	Power & Utilities	-	-	Member of the Supervisory Board
Tacke, Markus ⁽¹⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	10,195	-	
Sen, Michael ⁽²⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	13,904	-	Member of the Managing Board of Siemens AG (until March 2020) and Chairman of the Supervisory Board, Chairman of the Chairman's Committee, Member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019)
López Borrego, Miguel Ángel	SIEMENS ENERGY AG	Power & Utilities	7,662	-	
López Borrego, Miguel Ángel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	15,324	-	Chairman and CEO of Siemens, S.A., and Chairman of Siemens Holding, S.L.U., and Member of the Board of Directors of Siemens, S.A. (Portugal) and Siemens Rail Automation S.A.U, and Member of the Advisory Board of Siemens Healthineers, S.L.U.
von Schumann, Mariel	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	17,161	-	Member of the Board of Directors of Siemens Ltd. India and Siemens Stiftung (Siemens Foundation)
Hoffmann, Andreas C. ⁽³⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	31,489	-	General Counsel and Head of Legal and Compliance of Siemens AG, Member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Energy Global GmbH & Co. KG, Member of the Supervisory Board of Siemens Healthcare GmbH and Member of the Board of Directors of Siemens Ltd., China, and Member of the Board of Trustees of Siemens Stiftung (Siemens Foundation)
Thomas, Ralf ⁽⁴⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	23,241	-	Member of the Managing Board and CFO of Siemens AG, Member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG (valid mandates in Siemens Healthineers AG at his resignation as director of Siemens)

Owner	Investee company	Line of Business	Number of Shares	Functions
				Gamesa) and Siemens Aktiengesellschaft Österreich
Rosenfeld, Klaus	Schaeffler AG	Automotive and Industrial Sector	-	CEO
Davis, Lisa ⁽⁵⁾	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	-	Member of the Managing Board of Siemens AG (until February 2020) and Chairwoman of Siemens Proprietary Ltd., South Africa
Azagra Blázquez, Pedro ⁽⁶⁾	Iberdrola S.A.	Power & Utilities	176,275	Member of the Management Committee and Corporate Development Director of Iberdrola, S.A., and Member of the Managing Board and Audit and Compliance Committee of Neoenergía, S.A. (Brazil)
Holt, Tim Oliver	SIEMENS ENERGY AG	Power & Utilities	1,181	Member of the Managing Board of Siemens Energy AG, Member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, Member of the Board of Directors of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi and Member of the Board of Trustees the Siemens Foundation US.
Holt, Tim Oliver	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	2,362	Member of the Board of Directors of Siemens Ltd. India
Dawidowsky, Tim	SIEMENS ENERGY AG	Power & Utilities	849	Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG
Dawidowsky, Tim	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	1,697	Member of the Board of Directors of Siemens Pakistan
Ferraro, Maria	SIEMENS ENERGY AG	Power & Utilities	1,873	Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH.
Ferraro, Maria	SIEMENS AG	Industrial, Health, Power & Utilities and Infrastructure Sectors	3,746	CFO of Siemens AG Digital Industries and CDO (Chief Diversity Officer) of Siemens AG Digital Industries (both posts until April 2020); Vice President of the Board of Directors of Siemens S.p.A., Italia, Member of the Board of Directors of Siemens Ltd. Seoul, Korea, Member of the Board of Directors of Siemens S.A., Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu, Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd, Member of the Supervisory Board of IBS Industrial Business Software (Shanghai), Ltd., Member of the Supervisory Board of TASS International Co. Ltd., Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou, Member of the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd., Company Supervisor of Siemens Numerical Control Ltd., Nanjing, Member of the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited, and Member of the Governing Board of Siemens AB, Sweden

(1) Markus Tacke has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on June 17, 2020.

(2) Michael Sen has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on March 31, 2020.

(3) Andreas C. Hoffmann has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on September 28, 2020.

(4) Ralf Thomas has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on November 27, 2019.

(5) Lisa Davis has ceased her position as Member of the Board of Directors of SIEMENS GAMESA on February 10, 2020.

(6) Pedro Azagra Blázquez has ceased his position as Member of the Board of Directors of SIEMENS GAMESA on February 5, 2020.

On the other hand, the members of the Board of Directors have been affected by the following conflicts of interest during 2020:

Sen, Michael. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and December 17, 2019, and it happened also in the meetings of the Board of Directors of November 4 and 27 and December 16, 2019, and February 3 and 19 and March 18 and 26, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

von Schumann, Mariel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

López Borrego, Miguel Ángel. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020.

Holt, Tim Oliver. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of February 19, March 18 and 26, May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of April 16 and 30, 2020, and it happened also in the meetings of said Committee of March 17, April 20 and May 4, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Azagra Blázquez, Pedro. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Iberdrola, S.A. and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24, November 4 and 27, December 17, 2019 and February 3, 2020.

Ferraro, Maria. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of May 5, June 17, July 29 and September 16, 2020, as well as in the meetings of the Audit, Compliance and Related Party Transactions Committee of May 11, June 9, July 9 and 23, and September 25, 2020.

Thomas, Ralf. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of October 24 and November 4, 2019.

Rosenfeld, Klaus. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions including Schaeffler AG, where he holds the post as CEO, were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of March 26 and June 17 2020, and it happened also in the meetings of the Board of Directors of November 4, 2019 and February 3, 2020, where he was represented by a proxy and his proxy didn't cast a vote on his behalf for such agreement.

Davis, Lisa. According to the procedure established in article 31 of the Regulations of the Board of Directors of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, she left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 4 and 27, and December 17, 2019 and February 3, 2020, and it happened also in the meetings of the Board of Directors of October 24 and December 16, 2019, where she was represented by a proxy and her proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

Hoffmann, Andreas C. According to the procedure established in article 31 of the Board of Directors Regulations of SIEMENS GAMESA, in the meetings of such body on which agreements related to transactions with Siemens Aktiengesellschaft and/or companies of its group were discussed or, if the case, approved, he left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement. It happened in the meetings of the Board of Directors of November 27, and December 16 and 17, 2019, and February 3 and 19, March 18 and 26, May 5, June 17 and September 16, 2020, and it happened also in the meeting of the Board of Directors of July 29, 2020, where he was represented by a proxy and his proxy left the meeting and did not participate in the deliberations, voting, decision-making and execution of such agreement.

20. Remuneration of Top Management

Excluding those who are simultaneously members of the Board of Directors (whose remuneration is detailed in the Note 19), the compensation for the year, paid or payable, to members of Top Management for employment services rendered before the closing of the years 2020 and 2019 is disclosed in the following table:

Thousands of euros	2020	2019
Compensation received by the Top Management	6,514	6,752
Total	6,514	6,752

Likewise, deriving from their previous relationship with SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), certain members of the Top Management have recognized rights on shares of SIEMENS derived from incentives granted before the Merger to be paid in cash during the next years. During this year the payment to members of Top Management (one of which has ceased the position before the year ended) has amounted to EUR 483 thousand (EUR 261 thousand in the fiscal year 2019).

Also, the remunerations to the Top Management, do not include, as of September 30, 2020 and 2019, the provision accrued for the three cycles of the Long-Term Incentive Plan 2018-2020 in the amount of EUR 1,310 thousand and EUR 762 thousand, respectively. Any compensation related to this concept will be effective once the measurement period of the Plan is completed and any settlement (if applicable) will be in the years 2021, 2022 and 2023 depending on the degree of effective achievement of the objectives to which it is subject. In addition, the Board of Directors of SIEMENS GAMESA has determined, on November 27, 2020 (i.e. after the end of the financial year 2020), an overall degree of achievement of 55% of the FY2018 Cycle objectives of the Long-Term Incentive Plan, which will result in the delivery of: 58,766 shares to the Top Management. These shares have not been delivered to their beneficiaries yet; according to the Plan Regulations, they must be delivered within sixty (60) calendar days as of November 27, 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020. The grant is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver)).

The final value of the incentive will depend on the closing price listed on the date of the relevant recording in the beneficiary's securities account. As the shares have not been delivered yet, in order to calculate their cash value in the Remuneration Report of SIEMENS GAMESA, the average daily closing price of the 20 trading sessions prior to the end date of the first cycle (30 September 2020) and the 20 trading sessions following that date have been taken as a reference. This price was Euro 23.61 per share, leading to a total value of EUR 1,387 thousand. This amount does not correspond to the cost accrued for accounting purposes in accordance with the applicable accounting regulations, which has been disclosed above for all plan cycles, and is disclosed for the sole purpose of reconciliation with the aforementioned Remuneration Report. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for the first cycle of the Plan.

Contributions to pension Plans have been made in amount of EUR 221 thousand and EUR 200 thousand included as remuneration in the table above, as of September 30, 2020 and 2019, respectively.

During fiscal years 2020 and 2019, there have been no transactions with Top Management other than those carried out in the ordinary course of the business.

21. Information regarding the deferral of payments made to suppliers

In accordance with the requirement of the Resolution of January 29, 2016 of the Accounting and Audit Institute in Spain, about the information to include in the notes to the Financial Statements related to the deferral of payments made to suppliers in commercial operations.

The average payment period to suppliers in the year 2020 and 2019 is the following:

Days	2020	2019
Average payment period	74	57
Settled operations ratio	75	59
Pending operations ratio	71	46
Thousands of euros	2020	2019
Total settled payments	67,066	55,792
Total pending payments	11,174	11,492

22. Audit fees

During the fiscal years 2020 and 2019 the fees for the financial audit and other services provided by the auditor of the Group's Consolidated Financial Statements and the fees invoiced by the auditors of the separate Statutory Financial Statements of the companies included in the consolidation, and by entities related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

Thousands of euros	2020	
	Services rendered by EY	Services provided by other audit firms
Audit services	4,449	23
Attest services related to the audit	235	-
Other attest services	291	-
Total audit and related services	4,975	23
Tax advisory services	-	-
Other services	-	-
Total other services	-	-
Total professional services	4,975	23

Thousands of euros	2019	
	Services rendered by EY	Services provided by other audit firms
Audit services	4,044	14
Attest services related to the audit	235	-
Other attest services	313	-
Total audit and related services	4,592	14
Tax advisory services	-	-
Other services	-	-
Total other services	-	-
Total professional services	4,592	14

Out of the amount related to the services rendered by the main auditor, EUR 962 thousand correspond to audit services and attest services related to the audit provided to SIEMENS GAMESA in the fiscal year 2020 (EUR 880 thousand in the fiscal year 2019). The attest services related to the audit mentioned in the previous table, correspond to SIEMENS GAMESA in its entirety. Likewise, taking into account the corresponding amount related to other attest services provided by the main auditor, EUR 135 thousand correspond to SIEMENS GAMESA in the fiscal year 2020 (EUR 251 thousand in the fiscal year 2019).

23. Subsequent events

No significant events have occurred since the end of the fiscal year until the date of issuance of these Financial Statements.

24. Explanation added for translation to English

These Financial Statements are presented on the basis of Spanish Accounting Standards. Certain accounting practices applied by the Company that conform to Spanish Accounting Standards may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Appendix Siemens Gamesa Company List - 09/30/2020					Amounts in EUR		
COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
A) FULLY CONSOLIDATED COMPANIES							
Jalore Wind Park Private Limited	Other	-	India	100%	132	(16)	-
Mathak Wind Farms Private Limited	Other	-	India	100%	132	(16)	-
Tirupur Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Beed Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Tulajapur Wind Farms Private Limited	Other	-	India	100%	132	(16)	-
Rangareddy Renewable Private Limited	Other	-	India	100%	132	(16)	-
Nellore Renewable Private Limited	Other	-	India	100%	132	(16)	-
Gamesa Wind GmbH	Holding company	-	Germany	100%	994,990	(32,805,061)	(1,489,743)
Gadag Renewable Private Limited	Other	-	India	100%	132	(16)	-
Channapura Renewable Private Limited	Other	-	India	100%	132	(16)	-
Kutch Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Wind Power SpA	Service and distribution company	EY	Chile	100%	2,739,762	(504,118)	1,299,963
Adwen Blades GmbH	Production and distribution company	EY	Germany	100%	1,000,000	(18,543,426)	41,885
Siemens Gamesa Renewable Energy Pty Ltd	Service and distribution company	EY	Australia	100%	31,268,723	(4,150,108)	(8,542,160)
Siemens Gamesa Renewable Energy d.o.o.	Service and distribution company	EY	Croatia	100%	3,000	6,484,103	1,411,005
Uppal Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy GmbH	Service and distribution company	-	Austria	100%	35,000	7,797,935	1,000,000
International Wind Farm Development IV Limited	Holding company	-	Hong Kong	100%	1,104	(58,925)	(19,487)
Siemens Gamesa Renewable Energy Deutschland GmbH	Holding company	EY	Germany	100%	6,058,000	(1,056,719,718)	89,519,414
Siemens Gamesa Renewable Energy Eolica, S.L.	Holding company	EY	Spain	100%	200,500	886,664,403	(58,656,483)
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Canada	100%	266,955,963	(266,933,505)	4,070
Siemens Gamesa Renewable Energy Japan K.K.	Service company	EY	Japan	100%	4,307,639	(3,127,525)	(3,962)
International Wind Farm Development I Limited	Holding company	-	Hong Kong	100%	-	27,451	(6,502)
Sistemas Energéticos Sierra de Valdehuentas, S.L.U.	Project company	-	Spain	100%	3,006	3,660	(2,444)
International Wind Farm Development II Limited	Holding company	-	Hong Kong	100%	-	27,451	(8,376)
Siemens Gamesa Renewable Energy PA, LLC	Other	EY	United States	100%	93,800	299,618,281	-
International Wind Farm Development VII Limited	Holding company	-	Hong Kong	100%	1,104	26,945	#VALUE!
Siemens Gamesa Renewable Energy Singapore Private Limited	Service company	-	Singapore	100%	7,420,427	(6,813,481)	(101,877)
Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	Production and distribution company	EY	China	100%	43,481,213	47,678,270	15,049,958
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Thailand	100%	10,253,950	(1,623,728)	2,508,158
Sistemas Energéticos de Tarifa, S.L. Unipersonal	Project company	-	Spain	100%	61,000	2,944,665	(1,142,725)
Sistemas Energéticos La Cámara, S.L.	Project company	-	Spain	100%	3,006	4,551,436	978,518
Siemens Gamesa Renewable Energy Offshore Wind Limited	Project company	-	Taiwan, Province of China	100%	-	(182,334)	(11,548,390)
Siemens Gamesa Renewable Energy Sp. z o.o.	Production and distribution company	EY	Poland	100%	5,899,475	5,188,342	(4,624,634)
Estructuras Metalicas Singulares, S.A. Unipersonal	Production and distribution company	-	Spain	100%	61,000	7,122,395	118,922
SIEMENS GAMESA RENEWABLE ENERGY (PTY) LTD	Production and distribution company	EY	South Africa	70%	8,005,594	(2,946,724)	1,857,636
Siemens Gamesa Renewable Energy Limited	Service and distribution company	-	Korea, Republic of	100%	576,187	500,477	1,656,546
SIEMENS GAMESA RENEWABLE ENERGY ANONIM SIRKETI	Production and distribution company	EY	Turkey	100%	3,703,930	9,430,455	(4,846,360)
Sistemas Energéticos Finca San Juan, S.L.U.	Project company	-	Spain	100%	3,006	40,319	(7,665)
Siemens Gamesa Renewable Energy Iberica S.L.	Production and distribution company	EY	Spain	100%	3,000	11,565,913	(9,492,601)
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	Philippines	100%	10,759,506	(4,708,444)	(295,910)
Siemens Gamesa Renewable Energy S.A.S.	Service and distribution company	EY	France	100%	1,001,000	755,758	(3,494,465)
Siemens Gamesa Renewable Energy NV	Service and distribution company	EY	Belgium	100%	5,000,000	500,000	709,324
Siemens Gamesa Renewable Energy B.V.	Production and distribution company	EY	Netherlands	100%	1,000	5,012,105	3,485,341
Gamesa Energy Transmission, S.A. Unipersonal	Production company	EY	Spain	100%	21,660,000	76,890,155	3,779,902
SIEMENS GAMESA RENEWABLE ENERGY S.A.S.	Project Company	-	Colombia	100%	8,438	4,636	(1,064)
Siemens Gamesa Renewable Energy S.A.C.	Production and distribution company	-	Peru	100%	5,689,432	(3,687,054)	(222,718)
SIEMENS GAMESA RENEWABLE ENERGY INSTALLATION & MAINTENANCE COMPAÑIA LIMITADA	Service and distribution company	-	Guatemala	100%	541	(822,317)	223,108
Siemens Gamesa Renewable Energy AB	Production and distribution company	EY	Sweden	100%	5,194	13,787,338	(7,591,119)
Société d'Exploitation du Parc Eolien de Maindoie SARL	Project company	-	France	100%	10,001	(272)	-
Gudadanal Renewable Private Limited	Other	-	India	100%	132	(16)	-
Sistemas Energéticos La Plana, S.A.	Project company	Attest	Spain	90%	421,000	2,076,659	178,260
Haveri Renewable Power Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Limited	Production and distribution company	EY	United Kingdom	100%	207,141,442	(132,482,779)	74,583,045
Niricoti Renewable Private Limited	Other	-	India	100%	132	(16)	-
Cerr Grupo Energético XXI, S.A. Unipersonal	Holding company	-	Spain	100%	1,605,032	(615,636)	33,804
Neelagund Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Kft.	Production and distribution company	EY	Hungary	100%	32,168	1,619,405	321,888
Hungund Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Limited	Service and distribution company	EY	Ireland	100%	1	3,518,572	10,071,162
Sistemas Energéticos del Sur S.A.	Project company	-	Spain	100%	600,000	(181,342)	(1,021)
Saunshi Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Italia S.r.l.	Production and distribution company	EY	Italy	100%	1,000,000	2,069,658	(545,766)
Société d'Exploitation du Parc Eolien de Pouilly-sur-Vingeanne SARL	Project company	-	France	100%	10,001	(100)	(40)
Chikkodi Renewable Power Private Limited	Other	-	India	100%	132	(16)	-
Umrani Renewable Private Limited	Other	-	India	100%	132	(16)	-
SIEMENS GAMESA RENEWABLE ENERGY AS	Production and distribution company	EY	Norway	100%	275,944	9,365,891	(1,608,812)
Siemens Gesa Renewables Energy Services S. de R.L. de C.V.	Service company	EY	Mexico	100%	2,503	1,202,796	1,604,104
Zalki Renewable Private Limited	Other	-	India	100%	132	(16)	-

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
Sistemas Energéticos Monte Genaro, S.L.U.	Project company	-	Spain	80%	3,006	(49,402)	50,475
Hattarat Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy, Inc.	Production and distribution company	EY	United States	100%	27,834,231	591,265,445	(6,034,929)
Siemens Gamesa Renewable Energy Europa S.L.	Holding company	-	Spain	100%	3,006	547,494	12,710
Siemens Gamesa Renewable Energy LLC	Service company	-	Ukraine	100%	1	(1)	-
Cedar Cap Wind, LLC	Project company	-	United States	100%	80	(80)	-
Société d'Exploitation du Parc Eolien de Vernierfontaine SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Messeix SARL	Project company	-	France	100%	10,001	(272)	(40)
Gesa Oax I Sociedad Anonima de Capital Variable	Project company	EY	Mexico	100%	-	(48,698)	(1,957,386)
Siemens Gamesa Renewable Energy Engineering Centre Private Limited	Production and distribution company	EY	India	100%	1,322,515	3,142,798	2,797,266
Société d'Exploitation du Parc Eolien de la Belle Dame SARL	Project company	-	France	100%	10,001	(272)	(40)
Gesa Oax III Sociedad Anonima de Capital Variable	Project company	-	Mexico	100%	1,031,299	(234,166)	(847,510)
Siemens Gamesa Energy Tajdipazir SSK	Service and distribution company	-	Iran, Islamic Republic of	100%	-	652,023	985,199
Sistemas Energéticos Cuerda Gitana, S.A. Unipersonal	Project company	-	Spain	100%	61,000	2,262,521	300,489
Gesa Oax II Sociedad de Responsabilidad Limitada de Capital Variable	Project company	EY	Mexico	100%	-	(66,048)	(1,723,651)
Sistemas Energéticos Loma del Reposo, S.L. Unipersonal	Project company	-	Spain	100%	61,000	(17,480)	(501)
Société d'Exploitation du Parc Eolien de Champlong SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Broys SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy SARL	Production and distribution company	-	Morocco	100%	943	6,193,069	(745,958)
Sistemas Energéticos Sierra de Las Estancias, S.A. Unipersonal	Project company	-	Spain	100%	61,000	439,701	11,896
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Viet Nam	100%	375,043	(144,610)	(3,804,236)
Sistemas Energéticos Cuntis, S.A. Unipersonal	Project company	-	Spain	100%	61,000	(981)	(384)
Sistemas Energéticos Tomillo, S.A. Unipersonal	Project company	-	Spain	100%	61,000	(28,519)	3,187
Siemens Gamesa Renewable Energy (Private) Limited	Other	-	Pakistan	100%	809	154,045	306,748
Windkraft Trinwillershagen Entwicklungsgesellschaft mbH	Project company	-	Germany	100%	51,129	470,407	(69,033)
Société d'Exploitation du Parc Eolien des Fontaines SARL	Project company	-	France	100%	10,001	(272)	(40)
Sistemas Energéticos Tablero Tabordo, S.L.	Project company	-	Spain	100%	3,006	53,372	1,739
Sistemas Energéticos Carril, S.L. Unipersonal	Project company	-	Spain	100%	61,000	(6,100)	(247)
CARMODY'S HILL INVESTMENT COMPANY PTY LTD	Project company	-	Australia	100%	627	(19)	-
Sistemas Energéticos Fonseca, S.A. Unipersonal	Project company	-	Spain	100%	61,000	522,217	1,849
Sistemas Energéticos Argafoso, S.L. Unipersonal	Project company	-	Spain	100%	61,000	1,238,396	(2,402,051)
Pocahontas Prairie Holdings, LLC	Project company	-	United States	100%	-	-	-
Siemens Gamesa Renewable Energy A/S	Production and distribution company	EY	Denmark	100%	2,690,468	205,750,461	(134,837,083)
Diversified Energy Transmission, LLC	Development and distribution company	-	United States	100%	1,461,449	(25,275,760)	-
Siemens Gamesa Renewable Energy Wind Farms, S.A.	Holding company	EY	Spain	100%	35,490,984	752,059,420	19,142,210
Société d'Exploitation du Parc Eolien de Champsevraine, SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy International Wind Services, S.A.	Other	EY	Spain	100%	600,000	(270,129)	(302,207)
International Wind Farm Developments IX, S.L.	Project company	-	Spain	100%	3,006	4,974,911	1,057,533
Siemens Gamesa Renewable Energy Innovation & Technology, S.L.	Research and development company	EY	Spain	100%	4,355,000	248,823,171	(79,404,015)
Lindom Vindenergi AB	Project company	-	Sweden	100%	14,546	(3,847)	(809)
Siemens Gamesa Renewable Energy Wind Limited	Holding company	EY	United Kingdom	100%	16,128,021	(19,375,392)	(587,494)
Siemens Gamesa Renewable Energy UK Limited	Project company	EY	United Kingdom	100%	14,361,263	(14,739,495)	(64,621)
SIEMENS GAMESA RENEWABLE ENERGY, S.R.L.	Service company	-	Costa Rica	100%	8,755,306	(2,771,016)	(3,874,994)
Société d'Exploitation du Parc Eolien de Margny SARL	Project company	-	France	100%	10,001	(100)	(40)
Siemens Gamesa Renewable Energy AE	Project company	-	Greece	100%	837,110	(1,701,165)	(1,598,570)
SIEMENS GAMESA RENEWABLE ENERGY, S.A.	Service company	-	Honduras	100%	5,763,800	560,914	(5,340,621)
Sistemas Energéticos Mansilla, S.L.	Project company	-	Spain	78%	6,000	(351,333)	(11,081)
Adwen Offshore, S.L.	Holding company	EY	Spain	100%	50,000,000	197,916,860	1,009,824,236
Parque Eólico Dos Picos, S.L.U.	Project company	-	Spain	100%	1,229,100	(339,970)	(37,534)
Siemens Gamesa Renewable Energy Service GmbH	Service company	EY	Germany	100%	26,000	119,330,005	(5,373,880)
Siemens Gamesa Renewable Energy Egypt LLC	Service and distribution company	EY	Egypt	100%	3,871,486	(1,769,376)	(2,197,733)
Siemens Gamesa Renewable Energy B9 Limited	Service company	EY	United Kingdom	100%	1,372,775	1,879,264	-
Siemens Gamesa Renewable Energy 9REN, S.L.	Service company	EY	Spain	100%	11,956,926	(2,602,516)	(2,313,988)
Sistemas Energéticos Cabezo Negro, S.A. Unipersonal	Project company	-	Spain	100%	61,000	1,523,680	1,077,970
Siemens Gamesa Renewable Energy Invest, S.A.	Holding company	EY	Spain	100%	1,200,000	6,993,335	12,539,745
Wind Portfolio Memberco, LLC	Project company	-	United States	100%	-	-	-
Société d'Exploitation du Parc Eolien d'Omécourt SARL	Project company	-	France	100%	10,001	(272)	(40)
International Wind Farm Developments II, S.L.	Project company	-	Spain	100%	3,006	2,841,508	1,072,653
Siemens Gesa Renewable Energy, S.A. de C.V.	Project company	EY	Mexico	100%	2,494	165,763,907	(36,681,994)
Siemens Gamesa Renewable Energy LLC	Service and distribution company	-	Russian Federation	100%	144	(1,587,199)	(10,185,375)
Siemens Gamesa Renewable Energy Limited Liability Company	Service company	-	Azerbaijan	100%	71	212,704	12,662
Siemens Gamesa Renewable Energy Wind SARL	Project company	EY	France	100%	17,121,598	(10,693,702)	(9,392,651)
Sistemas Energéticos Balazote, S.A. Unipersonal	Project company	-	Spain	100%	61,000	2,755,703	43,303
Siemens Gamesa Renewable Energy OOOD	Service company	EY	Bulgaria	100%	143,055	3,848,975	805,915
Siemens Gamesa Megújuló Energia Hungary Kft	Service company	EY	Hungary	100%	11,973	(12,235)	(4)
EcoHarmony West Wind, LLC	Project company	-	United States	100%	-	-	-
GER Baneasa, S.R.L.	Service company	-	Romania	100%	49	11,386	(4,032)
Siemens Gamesa Renewable Energy Djibouti SARL	Service and distribution company	-	Djibouti	100%	5,100	(5,073)	(594)
Siemens Gamesa Renewable Energy Real Estate GmbH & Co. KG	Real Estate company	-	Germany	100%	26,000	628,000	-
Sellafrith Renewable Energy Park Limited	Project company	-	United Kingdom	100%	1	-	-
Sistemas Energéticos Ladera Negra, S.A. Unipersonal	Project company	-	Spain	100%	61,000	(16,972)	3,718
Siemens Gamesa Renewable Energy Romania S.R.L.	Service company	EY	Romania	100%	110,772	28,482,461	654,461
Siemens Gamesa Renewable Power Private Limited	Holding company	EY	India	100%	246,409,913	233,373,623	(322,985,216)
Société d'Exploitation du Parc Eolien de Saint-Lumier en Champagne SARL	Project company	-	France	100%	10,001	(272)	(40)
Gamesa Dominicana, S.A.S.	Service company	EY	Dominican Republic	100%	7,534,661	(7,377,777)	(3,097,392)
Société d'Exploitation du Parc Eolien de Saint Amand SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Wind Farms S.R.L.	Service company	-	Romania	100%	319	(13,069,893)	(527,625)

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
Siemens Gamesa Renewable Energy Australia Pty Ltd	Service company	-	Australia	100%	3,066,453	(2,700,366)	(14,723)
Société d'Exploitation du Parc Eolien de la Monchot SARL	Project company	-	France	100%	10,001	(272)	(40)
GER Independenta, S.R.L.	Service company	-	Romania	100%	49	14,631	(6,439)
Gesacisa Desarrolladora, S.A. de C.V.	Project company	EY	Mexico	100%	3,397	3,388,940	(1,723,037)
Société d'Exploitation du Parc Eolien du Mont Égaré SARL	Project company	-	France	100%	10,000	(271)	(40)
Gamesa Eólica VE, C.A.	Service company	-	Venezuela, Bolivarian Republic of	100%	17,840	(27,180)	-
ENERGIAGI MAVROVOUNIOU IDIOTIKI KEFALEOUCHIKI ETERIA	Project company	-	Greece	100%	5,000	-	(4,375)
Sistemas Energéticos Arinaga, S.A. Unipersonal	Project company	-	Spain	100%	61,000	2,446,015	8,964
Société d'Exploitation du Parc Eolien de Mailly-le-Camp SARL	Project company	-	France	100%	10,001	(272)	(40)
Smardzewo Windfarm Sp. z o.o.	Project company	-	Poland	100%	215,269	(164,322)	(23,723)
Osiek Sp. z o.o. w Likwidacji	Project company	-	Poland	100%	11,182	(159,057)	(34,303)
Société d'Exploitation du Parc Eolien de la Brie des Etangs SARL	Project company	-	France	100%	32,001	(272)	(40)
Siemens Gamesa Renewable Energy Ireland Limited	Service company	EY	Ireland	100%	100	(706,083)	-
Sistemas Energéticos Boyal, S.L.	Project company	-	Spain	60%	3,006	(3,127,491)	(3,519,721)
Siemens Gamesa Renewable Energy Wind S.R.L.	Service company	EY	Italy	100%	100,000	4,474,547	(3,124,942)
GER Baraganu, S.R.L.	Service company	-	Romania	100%	49	12,993	(4,246)
Siemens Gamesa Energia Renovável Ltda.	Distribution and service company	EY	Brazil	100%	100,138,552	(9,167,237)	(54,989,115)
SIEMENS GAMESA RENEWABLE ENERGY PROJECTS PRIVATE LIMITED	Development and distribution company	-	India	100%	108,912	988,167	(69,885,249)
Lingbo SPW AB	Project company	EY	Sweden	100%	408,953	4,876,464	(1,923,290)
Kadapa Wind Farms Private Limited	Development and distribution company	-	India	100%	1,439	(2,285)	(253)
Siemens Gamesa Renewable Energy, Sociedad Anónima	Service company	-	Nicaragua	100%	1,363,089	4,448,067	(1,604,664)
Kurnool Wind Farms Private Limited	Development and distribution company	-	India	100%	1,439	(2,322)	(189)
Siemens Gesa Renewable Energy México, S. de R.L. de C.V.	Project company	EY	Mexico	100%	10,010,461	(8,548,082)	(4,591,103)
Société d'Exploitation du Parc Eolien de Souvans SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Ltd	Service company	EY	Israel	100%	-	1,222,616	81,959
RSR Power Private Limited	Development and distribution company	-	India	100%	1,579	(7,061)	(1,640)
Raigarh Windpark Private Limited	Development and distribution company	-	India	99%	2,053	(3,082)	(224)
SIEMENS GAMESA YENILENEBILIR ENERJII IC VE DIS TICARET LIMITED SIRKETI	Service and distribution company	-	Turkey	100%	43,386	5,860,344	352,103
Société d'Exploitation du Parc Eolien de Champeaux SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Pringy SARL	Project company	-	France	100%	32,001	(272)	(7,454)
Maski Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
ENERGIAGI VELANIDIAS SINGLE MEMBER ANONYMOS ETAIRIA	Project company	-	Greece	100%	25,000	-	(1,999)
Siemens Gamesa Renewable Energy New Zealand Limited	Service company	-	New Zealand	100%	93	620,342	(25,018)
Gangavathi Renewable Private Limited	Other	-	India	100%	119	(3)	-
ENERGIAGI MESOVOUNIOU SINGLE MEMBER ANONYMOS ETAIRIA	Project company	-	Greece	100%	25,000	86,947	(2,041)
Kanigiri Renewable Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gesa Renewable Energy Soluciones Técnicas, S. de R.L. de C.V.	Service company	-	Mexico	100%	2,329	(419)	2,508
Siemens Gamesa Renewable Energy France SAS	Other	EY	France	100%	65,280	1,516,518	(1,753,164)
Kollapur Renewable Private Limited	Other	-	India	100%	119	(3)	-
Gesan I.S.A.P.I de C.V.	Other	-	Mexico	100%	1	(2)	-
Société d'Exploitation du Parc Eolien de Chaintrix-Bierges SARL	Other	-	France	100%	10,001	(272)	(4,477)
Jamkhandi Renewable Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Digital Services, S.L.	Service company	-	Spain	100%	50,000	1,970,894	(618,956)
Siemens Gamesa Renewable Energy Morocco SARL	Other	-	Morocco	100%	866	883,832	(1,449,765)
Société d'Exploitation du Parc Photovoltaïque de Messeix SARL	Other	-	France	100%	10,001	(272)	(40)
Rayachoty Renewable Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Service Limited	Service company	EY	United Kingdom	100%	109,607	4,867,801	30,756
SIEMENS GAMESA RENEWABLE ENERGY SWEDEN AB	Other	EY	Sweden	100%	2,525,695	(1,879,753)	179,587
Shivamogga Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Ria Blades S.A.	Production company	EY	Portugal	100%	50,000	29,018,981	5,336,161
Siemens Gamesa Renewable Energy Limited	Other	EY	Kenya	100%	2,638	(115,192)	(101,919)
Société d'Exploitation du Parc Eolien de Bouclans SARL	Other	-	France	100%	10,001	(272)	(40)
Nandkeshwar Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Service S.A.S.	Service company	EY	France	100%	550,000	(2,124,634)	525,584
Siemens Gamesa Renewable Energy (Thailand) Co., Ltd.	Other	EY	Thailand	100%	2,832,978	3,062,939	(1,182,282)
Sindhanur Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Siemens Gamesa Renewable Energy Service S.R.L.	Service company	EY	Italy	100%	50,000	767,152	558,183
Siemens Gamesa Renewable Energy Latam, S.L.	Other	EY	Spain	100%	3,000	67,633,954	(24,397,847)
Pocahontas Prairie Wind, LLC	Other	EY	United States	100%	26	(82,675,757)	2,082,843
Vempalli Renewable Energy Private Limited	Other	-	India	100%	119	(3)	-
Servion Austria GmbH	Service company	EY	Austria	100%	50,000	125,295	34,432
Société d'Exploitation du Parc Eolien de la Garterme SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Service Sp.z.o.o	Service company	EY	Poland	100%	23,096	1,487,712	204,943
Siemens Gamesa Renewable Energy Oy	Service company	EY	Finland	100%	10,531,506	(7,546,903)	(1,164,327)
Anantapur Wind Farms Private Limited	Development and distribution company	-	India	100%	1,439	(2,322)	(293)
Servion Scandinavia AB	Service company	EY	Sweden	100%	9,460	77,687	(9,460)
Société d'Exploitation du Parc Eolien de Villiers-aux-Chênes SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien des Voies de Bar SARL	Project company	-	France	100%	10,001	(242)	(40)
Siemens Gamesa Renewable Energy I Service Unipessoal, Lda.	Service company	EY	Portugal	100%	100,000	1,320,870	(281,911)
Siemens Gamesa Renewable Energy Sp. z o.o.	Project company	EY	Poland	100%	7,086,260	3,293,393	1,102,807
Société d'Exploitation du Parc Eolien de la Pièce du Moulin SARL	Project company	-	France	100%	10,001	(272)	(40)
Gamesa Wind South Africa (Proprietary) Limited	Service company	-	South Africa	100%	273,121	(273,008)	5,654
Société d'Exploitation du Parc Eolien de Trépot SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy Apac, S.L.	Holding company	EY	Spain	100%	3,000	1,708,955	82,442
Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	Development and distribution company	EY	China	100%	14,544,437	130,148,063	(12,551,219)
Siemens Gamesa Renewable Energy d.o.o. Beograd - Stari Grad	Service company	-	Serbia	100%	-	125,180	263,443
Central Eólica de México S.A. de C.V.	Project company	EY	Mexico	100%	5,480	(1,886,191)	(6,320,474)

COMPANIES	BUSINESS LINE	AUDITOR	LOCATION	% OF DIRECT OR INDIRECT OWNERSHIP	CAPITAL	RESERVES	NET PROFIT FOR THE YEAR
Société d'Exploitation du Parc Eolien des Six Communes SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy, S.A.	Project company	EY	Portugal	100%	475,000	5,849,552	(144,923)
Siemens Gamesa Renewable Energy (Beijing) Co., Ltd.	Development and distribution company	EY	China	100%	318,151	(4,048,726)	(4,571,834)
SIEMENS GAMESA RENEWABLE ENERGY SARL	Service and distribution company	-	New Caledonia	100%	8,406	(650,182)	(11,915)
Gamesa Electric, S.A. Unipersonal	Production company	EY	Spain	100%	9,394,900	88,334,084	721,762
Société d'Exploitation du Parc Eolien de Sceaux SARL	Project company	-	France	100%	10,001	(272)	(40)
Siemens Gamesa Renewable Energy, Ltd	Service company	EY	Mauritius	100%	3,005	294,273	28,248
Société d'Exploitation du Parc Eolien de Guerfand SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien de Vaudrey SARL	Project company	-	France	100%	10,001	(272)	(40)
Société d'Exploitation du Parc Eolien d'Orchamps SARL	Project company	-	France	100%	10,001	(272)	(40)
SPV Parco Eolico Aria del Vento, Srl	Project company	-	Italy	100%	10,000	-	-
Société d'Exploitation du Parc Eolien du Vireaux SAS	Project company	EY	France	100%	33,112	(14,995)	(3,784)
Société d'Exploitation du Parc Eolien de Dampierre Prudemanche SAS	Project company	EY	France	100%	27,420	(20,239)	(4,760)
Société d'Exploitation du Parc Eolien de Orge et Omain SARL	Project company	-	France	100%	10,001	(272)	(40)
Ganquan Chaiguanshan Wind Power Co., Ltd.	Other	-	China	100%	1,812,910	(1,812,910)	(1,069,201)
Parco Eolico Manca Vennarda S.r.l.	Project company	EY	Italy	100%	30,000	(5,031)	(18,546)
Yongzhou Shuangpai Daguping Wind Power Co., Ltd.	Other	-	China	100%	-	-	-
Société d'Exploitation du Parc Eolien de Germainville SAS	Project company	EY	France	100%	13,150	(10,799)	(1,695)
Société d'Exploitation du Parc Eolien de Moulins du Puits SAS	Project company	EY	France	100%	27,102	(7,978)	(8,120)
Parco Eolico Banzy S.r.l.	Project company	-	Italy	100%	30,000	(5,031)	(18,546)
Gamesa Blade (Tianjin) Co., Ltd.	Development and distribution company	EY	China	100%	12,000,000	6,830,669	(2,241)
Shuangpai Majiang Wuxingling Wind Power Co., Ltd	Project company	-	China	100%	-	-	-
Siemens Gamesa Renewable Energy Italy, S.P.A.	Service company	EY	Italy	100%	570,000	473,493	(3,191,654)
Siemens Gamesa Renewable Energy Lanka (Private) Limited	Service company	-	Sri Lanka	100%	38,685	300,623	107,469
Sistemas Energéticos Eolo, S.L.	Project company	-	Spain	100%	3,000	-	-
Siemens Gamesa Renewable Energy Chile SpA	Service company	-	Chile	100%	7,064	4,143,094	(5,400,127)
Jilin Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	2,042,957	(7,768,328)	(159,954)
Inner Mongolia Gamesa Wind Co., Ltd.	Development and distribution company	EY	China	100%	2,042,957	(7,841,545)	(251,877)
Sistemas Energéticos Céltro, S.L.	Project company	-	Spain	100%	3,000	-	-
Société d'Exploitation du Parc Eolien de Bonboillon SARL	Project company	-	France	100%	10,001	(272)	(40)
Sistemas Energéticos Siroco, S.L.	Project company	-	Spain	100%	3,000	-	-
Société d'Exploitation du Parc Eolien de Saint Loup de Saintonge SAS	Project company	EY	France	100%	3,700	(99,384)	(1,508)
Sistemas Energéticos Boreas, S.L.	Project company	-	Spain	100%	3,000	-	-
SIEMENS GAMESA RENEWABLE ENERGY S.R.L.	Service company	EY	Uruguay	100%	822	9,082,411	(3,655,363)
Sistemas Energéticos Argestes, S.L.	Project company	-	Spain	100%	3,000	-	-
Siemens Gamesa Renewable Energy Greece E.P.E.	Service company	EY	Greece	100%	18,000	1,369,766	(300,111)
Sistemas Energéticos Terral, S.L.	Project company	-	Spain	100%	3,000	-	-
Sistemas Energéticos Abrego, S.L.	Project company	-	Spain	100%	3,000	-	-
Siemens Gamesa Renewable Energy, SARL	Service company	Others	Mauritania	100%	2,539	632,667	64,763
Sistemas Energéticos Gregal, S.L.	Project company	-	Spain	100%	3,000	-	-
Société d'Exploitation du Parc Eolien de la Tête des Boucs SARL	Project company	-	France	100%	32,001	(9,643)	(43)
Société d'Exploitation du Parc Eolien de Chepniers SARL	Project company	-	France	100%	10,001	(272)	(40)
SANTALPUR RENEWABLE POWER PRIVATE LIMITED	Other	-	India	99%	141,867	(199,991)	(21,686)
Siemens Gamesa Renewable Energy Limited	Service company	EY	Cyprus	100%	1,000	1,623,991	(6,304)
Farbyn2 Vindenergi AB	Project company	-	Sweden	100%	5,699	3,688	(1,116)
Devarabanda Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Ghatpimri Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy Management GmbH	Other	-	Germany	100%	25,000	(24,875)	(1)
Poovani Wind Farms Private Limited	Other	-	India	100%	132	(16)	-
Kod Renewable Private Limited	Other	-	India	100%	132	(16)	-
Viralipatti Renewable Private Limited	Other	-	India	100%	132	(16)	-
PT Siemens Gamesa Renewable Energy	Service and distribution company	-	Indonesia	95%	148,910	139,784	658,043
Siemens Gamesa Renewable Energy Blades, SARL AU	Production and distribution company	-	Morocco	100%	40,000,000	(17,405,186)	(12,451,041)
Gagodar Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Thoothukudi Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Sankanur Renewable Energy Private Limited	Other	-	India	100%	132	(16)	-
Osmanabad Renewable Private Limited	Other	-	India	100%	132	(16)	-
Dhone Renewable Private Limited	Other	-	India	100%	132	(16)	-
Siemens Gamesa Renewable Energy GmbH & Co. KG	Production and distribution company	EY	Germany	100%	999,000	99,116,000	127,811,000
Bhuj Renewable Private Limited	Other	-	India	100%	132	(16)	-
Bapuram Renewable Private Limited	Other	-	India	100%	132	(16)	-
Koppal Renewable Private Limited	Other	-	India	100%	132	(16)	-
B) COMPANIES ACCOUNTED BY EQUITY METHOD							
Windar Renovables, S.L.	Production and distribution company	PWC	Spain	32%	9,394	90,974,606	16,742,000
Energía Eólica de México S.A. de C.V.	Project company	-	Mexico	50%	386,431	(376,700)	(7)
Sistemas Electricos Espluga, S.A.	Project company	-	Spain	50%	61,000	(635,942)	(148,586)
Energías Renovables San Adrián de Juarros, S.A.	Project company	-	Spain	45%	60,200	16,352	(1,516)
Baja Wind US LLC	Venture Capital Investment	-	United States	50%	-	-	-
Energía Renovable del Istmo S.A. de C.V.	Operation of Wind Farms	-	Mexico	50%	372,225	(433,266)	(66,492)

MR. JUAN ANTONIO GARCÍA FUENTE, WITH NATIONAL IDENTITY CARD NUMBER 22747928-P, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY, S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222, WITH EMPLOYER IDENTIFICATION NUMBER A -01011253.

HEREBY CERTIFY:

That the text of the annual accounts for 2020 of SIEMENS GAMESA RENEWABLE ENERGY, S.A., authorised for issue by the Board of Directors at its meeting held on November 27, 2020, is the content of the preceding 73 sheets of unstamped paper, on the obverse only, in respect of balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and the notes and for authentication purposes, bear the signature of the Chairman and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

Mr. Miguel Angel López Borrego
Chairman

**On his own name and on behalf of the Directors
Mr. Andreas Nauen, Ms. Mariel von Schumann,
Ms. Gloria Hernández García, Mr. Tim Oliver Holt,
Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms.
Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim
Dawidowsky.**

The Secretary of the Board of Directors states for the records:

- (i) that due to the restrictions on movements imposed by various countries and authorities on the occasion of the pandemic caused by the SARS-COV-2 virus, the Directors Mr. Andreas Nauen, Ms. Mariel von Schumann, Ms. Gloria Hernández García, Mr. Tim Oliver Holt, Mr. Klaus Rosenfeld, Mr. Harald von Heynitz, Ms. Maria Ferraro, Mr. Rudolf Krämmer and Mr. Tim Dawidowsky attended the meeting by telematic means and therefore they have not been able to stamp their handwritten signature on this document.
- (ii) that during the Board of Directors held on the 27th of November 2020, all Directors have approved the subscription of this document and the Directors mentioned on section (i) expressly instructed the Chairman of the Board of Directors, Mr. Miguel Angel López Borrego, to sign it on their respective behalf.

Zamudio, November 27, 2020. In witness whereof

Approval of the Chairman

Mr. Miguel Ángel López Borrego
Chairman

Mr. Juan Antonio García Fuente
Secretary of the Board of Directors