Activity Report

Second quarter FY 2021

January-March 2021 Results

April 30, 2021

Contents

Introduction

Siemens Gamesa[1] reported €2,336m (+6% y/y) in revenue at Group level in the second quarter of fiscal 2021 (Q2 21), with an EBIT margin pre PPA and before integration and restructuring costs of 4.8%. Revenue in the first half of fiscal 2021 (H1 21) amounted to €4,631m (+10% y/y) and EBIT pre PPA and before integration and restructuring costs totaled €232m, i.e. an EBIT margin of 5.0%.

Revenue growth in Q2 21 (+6% y/y) and in H1 21 (+10%) was impacted negatively by currencies. Excluding that impact, revenue in Q2 21 would have amounted to €2,435m, 11% more than in the second quarter of fiscal 2020 (Q2 20), while revenue in H1 21 would have amounted to €4,861m, 16% more than in the first half of fiscal 2020 (H1 20).

EBIT margin pre PPA and before integration and restructuring costs was favored by the Group performance in the Offshore market and in Service activity in both Q2 21 (4.8%) and H1 21 (5.0%). The process of restructuring the Onshore business continues. During Q2 21, the closure of Cuenca and Somozas plants was agreed with the employees. The Group expects WTG performance in the second half of fiscal 2021 (H2 21) to be affected by the ramp-up of production of the SG 11.0-200 DD in the fourth quarter of fiscal 2021 (Q4 21) and by the increase of cost of supplies. This increase of cost of supplies is related to both the higher raw material prices and to the lower purchase volume compared to the commitments acquired with our strategic suppliers.

Including integration and restructuring costs (€71m in Q2 21) and the impact of the PPA on amortization of intangibles (€59m in Q2 21), reported EBIT in Q2 21 amounted to -€19m and net income attributable to SGRE equity-holders amounted to -€66m. Reported EBIT in H1 21 amounted to -€5m, including the impact of integration and restructuring costs (€118m) and of the PPA on amortization of intangibles (€119m). Reported net income in H1 21 amounted to -€54m.

Siemens Gamesa ended March 2021 with -€771m in net debt. The increase in net debt in H1 21 was due mainly to an increase in working capital, associated to accounts payable, which ended the half-year at -€1,639m, equivalent to -17% of revenue in the last twelve months, and to an increase in lease liabilities[2]. As of March 31, 2021, Siemens Gamesa had €4.5bn in funding lines, against which it had drawn €1.5bn, and total available liquidity amounted to €4.5bn (including cash on the balance sheet at the end of H1 21).

As for commercial activity, the Group ended Q2 21 with a record backlog of €33,743m, i.e. €5,120m more than in March 2020, having signed orders worth €5,500m in Q2 21. Order intake in Q2 21 and the trend in intake year-on-year reflects the volatility of the Offshore market, which affected order intake not only in WTG but also in Service.

Following the H1 21 results coupled with additional information about the pandemic's impact on the wind market development and the evolution of raw material prices, Siemens Gamesa has decided to narrow the revenue guidance[3] range it released to the market in November 2020. Revenue is expected to reach between €10.2bn and €10.5bn for fiscal 2021 (FY21), while the range for the EBIT margin pre PPA and before integration and restructuring costs of 3% to 5% remains. The new revenue range reflects the impact of the commercial and sales activity evolution, especially in countries most affected by COVID-19 and the economic situation such as India and Brazil, and of deferrals on the execution of projects which prevent the company from reaching the upper limit of the volumes initially planned for FY21.

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

[2]Lease liabilities as of March 31, 2021: €841m. Lease liabilities as of September 30, 2020: €611m.

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

Main consolidated figures Q2 21

- Revenue: €2,336m (+6% y/y)
- EBIT pre PPA and before integration and restructuring costs[4]: €111m (3.4x y/y)
- Net income: -€66m (N.A.)
- Net cash/(Net financial debt – NFD)[5]: -€771m
- MWe sold: 2,657 MWe (+22% y/y)
- Order book: €33,743m (+18% y/y)
- Firm order intake in Q2: €5,500m (+2.5x y/y)
- Firm order intake in the last twelve months: €15,686m (+8% y/y)
- WTG firm order intake in Q2: 4,720 MW (+2.9x y/y)
- WTG firm order intake in the last twelve months: 13,853 MW (+12% y/y)
- Installed fleet: 111,728 MW
- Fleet under maintenance: 77,101 MW

Markets and orders

Renewable projects, including wind, have proved to be very resilient during the pandemic. Acceleration of decarbonization commitments and the role of renewable energy in economic recovery programs have had a positive impact on demand prospects in the short-, medium- and long-term. In this context, Siemens Gamesa signed orders worth €15,686m (+8% y/y) in the last twelve months, i.e. 1.6 times revenue in the period, and it ended Q2 21 with backlog amounting to €33,743m (+18% y/y), €5,120m more than in Q2 20 and a record for the company.

At the end of Q2 21, 48% of the backlog, i.e. €16,314m, was in Service, where returns are higher, having increased by 13% year-on-year. The WTG backlog is split into €10,119m Offshore (+46% y/y) and €7,309m Onshore (+1% y/y).

Figure 1: Order book at 03.31.21 (€m)

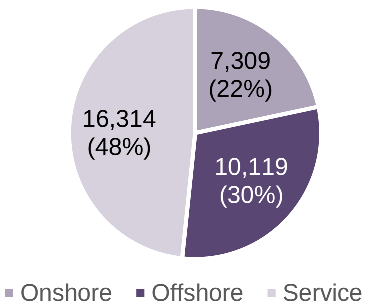
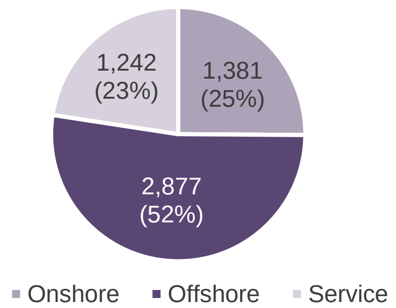


Figure 2: Order intake Q2 21 (€m)



[4]EBIT pre PPA and before integration and restructuring costs excludes integration and restructuring costs in the amount of €71m and the impact on fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of €59m.

[5]Cash / (Net financial debt) is defined as cash and cash equivalents less long-term and short-term financial debt, including lease liabilities. The Siemens Gamesa Group adopted IFRS 16 effective 1 October 2019. At 31 March 2021, lease liabilities amounted to €841m: €251m short-term and €591m long-term.

The Group signed new orders worth €5,500, in Q2 21, compared with €2,203m signed in Q2 20. Performance year-on-year reflects mainly the volatility of the Offshore market, with WTG and Service orders concentrated in Q2 21; it also reflects the negative impact of the pandemic on commercial activity in the Onshore business in Q2 20.

The order book as of March 31, 2021 provides a 99% revenue coverage on the low end of the sales guidance range of €10.2bn - €10.5bn, and 97% on the mid-range. During H1 21 there has been delays in the signing of certain Onshore contracts previously foreseen for execution in FY21, especially in countries most affected by COVID-19 such as India.

Onshore logged €1,381m (+2% y/y) in new orders in the quarter (i.e. 2,113 MW, +28% y/y), giving Onshore a book-to-bill ratio of 1.2. The increase in order volume reflects the negative impact of the pandemic on Onshore commercial activity in the year-ago quarter, while the smaller increase in the monetary value is due to the negative currency effect, dilution as a result of the greater proportion of larger turbines, and differences in project scope and geographic mix. Onshore order intake in the last twelve months amounted to 8,387 MW, worth €5,570m, i.e. a book-to-bill ratio of 1.1.

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

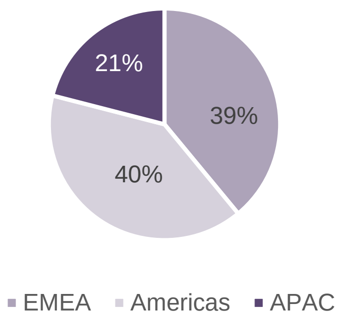
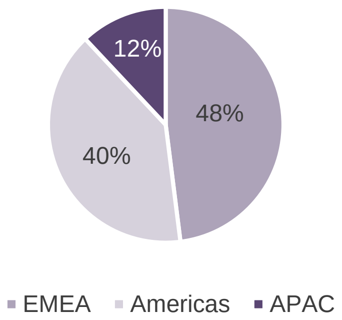


Figure 4: Onshore order intake (€m) Q2 21 (%)



Of the 44 countries that contributed new Onshore orders in the last twelve months, those that made the largest contribution, in monetary terms, were: US (22%), Sweden (12%), Brazil (11%), Vietnam (8%) and Spain (7%). They were followed by India (5%) and Morocco (4%). In Q2 21, the main sources of new orders were Brazil and Spain (18% each), Sweden (17%) and New Zealand and Peru (10% each).

The Siemens Gamesa 5.X platform continued to sign new orders accounting for 782 MW in Q2 21 (37% of total order intake in the quarter, 15 percentage points more than in Q2 20), including the first orders for this platform in Germany and the United Kingdom. As a result, 76% of orders received in Q2 21 were for platforms with capacity of 4 MW or more (41 p.p. more than in Q2 20). The Siemens Gamesa 5.X platform has logged 2.6 GW in orders since its launch.

Table 1: Onshore order intake (MW)

Onshore order intake (MW)	LTM	Q2 21
Americas	3,441	929
US	1,872	125
Brazil	899	434
EMEA	2,906	941
Spain	655	449
Sweden	978	282
APAC	2,040	243
India	479	6
Total (MW)	**8,387**	**2,113**

The standard volatility in the Offshore market resulted in €2,877m in new orders in Q2 21, i.e. a book-to-bill ratio of 3.8, with firm contracts signed in the quarter for the Courseulles-sur-Mer (448 MW), Hollandse Kust Noord (759 MW) and Sofia (1,400 MW) wind farms, being the last one initially expected for the third quarter of fiscal 2021 (Q3 21). Offshore order intake in the last twelve months amounted to €6,467m, i.e. a book-to-bill ratio of 2.0.

Siemens Gamesa continues to work very closely with customers to prepare for the large volume of auctions expected in 2021 (25 GW projected in the next nine months) and beyond, given Offshore wind's role as the top energy source for attaining the decarbonization targets. Early in April, Poland awarded contracts for differences (CfD)[6] to the Baltica 2 and 3 wind farms (2.5 GW) and the FEW Baltic II wind farm (350 MW).

Following conversion of the Courseulles-sur-Mer and Sofia orders into firm contracts, the conditional pipeline totaled 7.4 GW.

The volatility of the Offshore market also had a positive impact on commercial activity in the Service division in Q2 21, which booked €1,242m in new orders in the quarter, i.e. a book-to-bill ratio of 2.9. Service signed 15-year maintenance contracts for the Courseulles-sur-Mer and Hollandse Kust Noord offshore wind farms, as well as an extension of the contract to maintain the Gemini Offshore wind farm until 2036.

Service order intake in the last twelve months amounted to €3,649m, i.e. a book-to-bill ratio of 2.0.

Table 2: Order intake (€m)

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

Prices in the Onshore market remain stable in like-for-like terms, in line with the trend of the last two years. The average selling price is being affected by both the currency effect (negative y/y) and the project scope effect (negative, with lower scope in Q2 21). The larger contribution by turbines with higher rated capacity continues to have a dilutive effect.

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

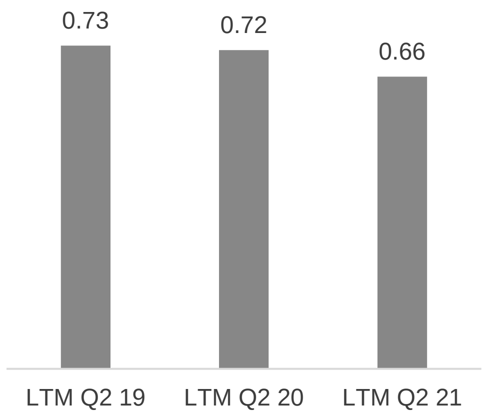
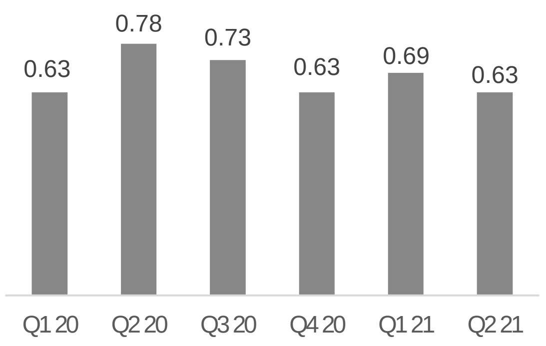


Figure 6: Average selling price - Onshore order intake (€m/MW)



[6]Contracts for difference (CfD) refers to the auction remuneration scheme.

SIEMENS Gamesa
RENEWABLE ENERGY

Key financial performance metrics

The table below shows the main financial aggregates for the second quarter of fiscal 2021 (January-March 2021; Q2 21) and fiscal 2020 (January-March 2020; Q2 20). It also shows the key figures for the first half of fiscal 2021 (H1 21) and the changes year-on-year.

Table 3: Key financial performance metrics

€m	Q2 20	Q2 21	Change y/y	H1 21	Change y/y
Group revenue	2,204	2,336	+6.0%	4,631	+10.1%
WTG	1,808	1,902	+5.2%	3,801	+10.4%
Service	395	434	+9.9%	830	+9.0%
WTG volume (MWe)	2,183	2,657	+21.7%	5,135	+24.8%
Onshore	1,649	1,927	+16.8%	3,671	+8.1%
Offshore	534	730	+36.6%	1,464	2.0x
EBIT pre-PPA and before I&R costs	33	111	3.4x	232	N.A.
EBIT margin pre PPA and before I&R costs	1.5%	4.8%	+3.3 p.p.	5.0%	+7.5 p.p.
WTG EBIT margin pre PPA and before I&R costs	-3.0%	1.3%	+4.3 p.p.	1.1%	+9.2 p.p.
Service EBIT margin pre PPA and before I&R costs	21.9%	19.9%	-2.0 p.p.	22.8%	-0.2 p.p.
PPA amortization[1]	69	59	-14.3%	119	-11.9%
Integration and restructuring costs	82	71	-13.2%	118	+8.0%
Reported EBIT	-118	-19	N.A.	-5	N.A.
Net income attributable to SGRE shareholders	-165	-66	N.A.	-54	N.A.
Net income per share attributable to SGRE shareholders[2]	-0.24	-0.10	N.A.	-0.08	N.A.
Capex	109	149	+40	289	+88
Capex/revenue (%)	5.0%	6.4%	+1.4 p.p.	6.2%	+1.5 p.p.
Working capital (WC)	-865	-1,639	-774	-1,639	-774
Working capital/revenue LTM (%)	-8.8%	-16.5%	-7.7 p.p.	-16.5%	-7.7 p.p.
Net (debt)/cash[3]	-295	-771	-476	-771	-476
Net (debt)/EBITDA LTM	-0.61	-3.25	-2.63	-3.25	-2.63

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average number of outstanding shares in the period. Q2 20: 679,399,017; Q2 21: 679,981,880; H1 20: 679,516,555; H1 21: 679.745.848.
3. Lease liabilities amounted to €606m at March 31, 2020, and €841m at March 31, 2021.

Group revenue amounted to €2,336m, 6% more than in the year-ago quarter. Revenue growth was driven by Offshore sales performance, which increased by 13% with respect to Q2 20, and Service revenue, which was up 10% year-on-year. Revenue in Q2 21, particularly in Onshore and Service, was impacted by currency depreciation in several markets where the Group operates. But for that impact, Group revenue would have increased by 11% y/y[7]. Revenue for H1 21 amounted to €4,631m, €4,861m at constant rate, respectively 10% and 16% more than in the previous fiscal year.

EBIT pre PPA and before integration and restructuring costs amounted to €111m in Q2 21, i.e. an EBIT margin of 4.8% and an improvement of 3.3 percentage points year-on-year.

The variation in EBIT pre PPA and before integration and restructuring costs in Q2 21 reflects the impact of the following factors:

(-) The price cuts incorporated into the order book (Onshore, Offshore and Service) at the beginning of the year, and the projects mix and scope.

(+) Improvements in productivity, which offset both the price reduction and the projects mix impact.

[7]Revenue at constant exchange rates amounted to €2,435m. The weighted average impact of year-on-year depreciation of the currencies in which the group operates amounted to -€99m in Q2 21.

(+) The fact that the Group's higher volume of activity, particularly in Offshore, enables it to better absorb structural expenses.

In addition, the anticipation of the Offshore manufacturing load, in advance of the ramp-up of production of the new SG 11.0-200 DD wind turbine in Q4 21, had an additional positive impact on Q2 21 profitability.

EBIT pre PPA and before integration and restructuring costs for H1 21 amounted to €232m, equivalent to an EBIT margin of 5.0% and an improvement of 7.5 percentage points year-on-year. This improvement is mainly due to the reduction of prior-year negative effects related to project delays in Northern Europe, COVID-19 and a slowdown in the Indian Onshore market. Additionally, H1 21 margin benefited from Offshore volume effects in WTG revenue mix, warranty provisions release associated with a comparatively higher reduction of product failure rate, a reassessment of marketability of WTG inventories, and lower maintenance costs.

The impact of PPA on amortization of intangible assets was €59m in Q2 21 (€119m for H1 21), while integration and restructuring (I&R) costs amounted to €71m in the same period (€118m in H1 20). The increase in integration and restructuring costs during Q2 21 is linked to the progress in restructuring actions, with the announcement of the closure of Somozas and Cuenca factories during January 2021 and the agreement reached with the workers during the same quarter. The restructuring exercise continues during Q3 21 with measures to reduce structural costs associated with the Onshore market.

Integration and restructuring costs in Q2 21 included c. €3m (c. €7m in H1 21) relating to the integration of Senvion, including Vagos.

Reported EBIT, including the impact of the PPA on the amortization of intangibles assets and integration and restructuring costs, amounted to -€19m in Q2 21, and -€5m in H1 21, i.e. an improvement of €342m compared to H1 20.

Net financial expenses amounted to €11m in Q2 21 (€20m in Q2 20) and to €23m in H1 21, while the tax expense amounted to €35m in Q2 21 (€28m in Q2 20) and to €27m in H1 21.

As a result, including the PPA impact on amortization and the integration and restructuring costs, both net of taxes, amounting to a total of €93m in Q2 21, the Group reported a net loss of €66m in Q2 21 (-€165m in Q2 20). The net loss per share for equity-holders of Siemens Gamesa amounted to -€0.10 (-€0.24 in Q2 20).The net loss for H1 21 amounted to €54m, i.e. an improvement of €285m compared to H1 20, and the net loss per share for equity-holders of Siemens Gamesa amounted to -€0.08 (-€0.50 in H1 20).

The Group reached -€1,639m in working capital in Q2 21, equivalent to -17% of LTM revenue. The increase of €336m since fiscal 2020 (FY20) year-end was the result of the following factors: activity planning for the year including a larger volume of deliveries in the second half, particularly in the fourth quarter; the need to maintain inventories of critical components to ensure business continuity given the persisting pandemic; and normalization of working capital with respect to the figure attained at the end of FY20 (-€1,976m, equivalent to -21% of LTM revenue). The Group continues with its policy of managing assets to maintain an optimal level of working capital.

Table 4: Working capital (€m)

Working capital (€m)	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Oct. 1, 20[2]**	**Q1 21**	**Q2 21**	**Change y/y**
Accounts receivable	1,108	1,073	1,211	1,141	1,143	1,152	1,058	-14
Inventories	2,071	2,115	2,064	1,820	1,820	1,718	1,886	-229
Contract assets	1,801	1,808	1,715	1,538	1,538	1,517	1,464	-345
Other current assets[1]	578	466	584	398	398	467	449	-17
Accounts payable	-2,471	-2,544	-2,781	-2,964	-2,964	-2,393	-2,531	+13
Contract liabilities	-3,193	-3,101	-3,362	-3,148	-3,171	-3,393	-3,237	-136
Other current liabilities	-833	-682	-929	-761	-735	-767	-728	-46
Working capital (WC)	**-939**	**-865**	**-1,498**	**-1,976**	**-1.971**	**-1,699**	**-1,639**	**-774**
Change q/q	-106[1]	74	-633	-477		277[2]	59	
Working capital/revenue LTM	**-9.4%**	**-8.8%**	**-15.7%**	**-20.8%**	**-20.8%**	**-17.4%**	-16.5%	

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

Capital expenditure amounted to €149m in Q2 21 (€289m in H1 21), in line with the guidance for the year. Investment was concentrated in developing new Onshore and Offshore products, in tooling and equipment, and in the Le Havre nacelle and blade plant. More than half of capital expenditure in the fiscal year was concentrated in Offshore in order to cater for demand growth in the coming years.

The net debt position increased by €722m[8] compared to the beginning of the fiscal year to -€771m at the end of Q2 21, as a result of the trend in working capital and the increase in financial debt related to the increase of lease liabilities. The company maintains a sound financial position, with access to €4.5bn in committed credit lines, bringing the liquidity position to €4.5bn considering cash on hand.

WTG

Table 5: WTG (€m)

€m	**Q1 20**	**Q2 20**	**Q3 20**	**Q4 20**	**Q1 21**	**Q2 21**	**Change y/y**
Revenue	1,634	1,808	1,947	2,325	1,899	1,902	+5.2%
Onshore	1,116	1,149	1,143	1,499	1,061	1,154	+0.4%
Offshore	518	660	805	826	838	748	+13.4%
Volume (MWe)	1,932	2,183	2,627	3,226	2,478	2,657	+21.7%
Onshore	1,747	1,649	1,876	2,433	1,744	1,927	+16.8%
Offshore	185	534	751	793	734	730	+36.6%
EBIT pre PPA and before I&R costs	-224	-54	-256	-99	18	25	N.A.
EBIT margin pre PPA and before I&R costs	-13.7%	-3.0%	-13.2%	-4.3%	1.0%	1.3%	4.3 p.p.

WTG division revenue amounted to €1,902m in Q2 21, 5% more than in the year-ago quarter, supported by growth in Offshore revenue (+13% y/y).

The increase in Offshore revenue was driven by higher manufacturing activity (MWe) as required to fulfill the deliveries scheduled in FY21. During Q2 21, 730 MWe of Offshore turbines were produced, mainly for the Hornsea 2, Kriegers Flak and Formosa 2 wind farms.

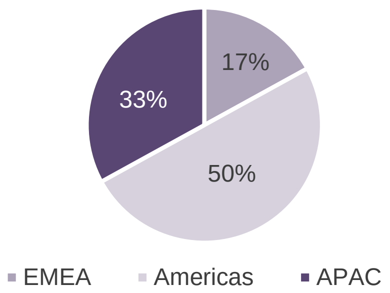
Onshore revenue stability in Q2 21 (+0.4% y/y) with growing volumes in manufacturing (1,927 MWe in Q2 21, vs. 1,649 MWe in Q2 20) reflects a reduced installation activity (1,308 MW in Q2 21 vs. 1,543 MW in Q2 20), the

[8]Net financial debt as of March 31, 2021: -€771m, including €841m of lease liabilities. Net financial debt as of September 30, 2020: -€49m, including €611m of lease liabilities.

projects scope and geographical mix, and the negative impact of depreciation by the currencies in which the Group operates. The reduced pace of installation is partially caused by delays related to the pandemic.

The main sources of Onshore sales (MWe) in Q2 21 were US (32% of the total), China (23%), India (9%) and Brazil (9%).

Figure 7: Onshore sales (MWe) Q2 21 (%)



EBIT pre PPA and before integration and restructuring costs amounted to €25m in Q2 21, equivalent to an EBIT margin of 1.3%, i.e. 4.3 percentage points higher than the EBIT margin pre PPA and before integration and restructuring costs in the year-ago quarter.

The improvement in profitability in the WTG division reflects both the Offshore management and also a higher Offshore market contribution to WTG revenue. Offshore performance is supported by a higher manufacturing load, anticipating the impact of the ramp-up of production of the SG 11.0-200 DD wind turbine in Q4 21.

It is important to note that the Offshore projects relative contribution to WTG revenue will decrease in the second half of the year with a corresponding impact on the division's profitability. This impact will be especially relevant in Q4 21 with the ramp-up of the production of the SG 11.0-200 DD wind turbine.

Additionally, the severe disruptions to the supply chain and manufacturing that occurred in Q2 20 as a result of COVID-19 did not recur in Q2 21.

The expected effect of lower prices continues to be offset by efficiencies tied to the LEAP program. Apart from the productivity measures aimed at cutting costs, which include a year-on-year reduction of c. 5% in outsourcing costs and strict control of fixed costs, the company continues to advance with the other measures aimed at restoring the WTG division to profitability. During Q2 21, it continued to adapt capacity to demand and reached an agreement to close the Somozas and Cuenca facilities. The company will continue to assess its manufacturing capacity and footprint in the light of demand. Also in April, measures to reorganize and reduce the fixed cost structure associated with the Onshore market were announced.

It is important to note that, despite the good development of the WTG unit during the first half of the fiscal year, the second half will be affected by the following factors that prevent the profitability to be extrapolated:

- Increase of cost of supplies related both to the increase in raw material prices and to the lower purchase volume compared to the commitments acquired with our strategic suppliers.
- The ramp-up of production of the SG 11.0-200 DD wind turbine in Q4 21 previously mentioned.

Operation and Maintenance Service

Table 6: Operation and maintenance (€m)

€m	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Change y/y
Revenue	366	395	464	543	396	434	+9.9%
EBIT pre PPA and before I&R costs	88	87	96	130	102	86	-0.2%
EBIT margin pre PPA and before I&R costs	24.1%	21.9%	20.6%	24.0%	25.9%	19.9%	-2.0 p.p.
Fleet under maintenance (MW)	63,544	71,476	72,099	74,240	75,493	77,101	+7.9%

Revenue in the Service activity increased by 10% with respect to Q2 20 to €434m. This growth reflects not only the positive impact of integrating the service businesses in Europe acquired from Senvion in January 2020 but also the negative impact of currency depreciation in several of the countries where the Group operates. Revenue amounted to €830m in H1 21 (+9% y/y).

The fleet under maintenance stands at 77.1 GW, an 8% increase year-on-year. The Offshore fleet under maintenance, 11.8 GW, expanded by 4% y/y while the Onshore fleet also expanded by 9% y/y to 65.3 GW. The fleet of third-party technologies under maintenance totaled 11.2 GW[9] at March 31, 2021.

The contract renewal rate was over 85% in Q2 21, up from 70% in FY20.

EBIT pre PPA and before integration and restructuring costs amounted to €86m in Q2 21, equivalent to an EBIT margin of 19.9%, in line with expectations for the Service division for FY21. In H1 21, Service EBIT amounted to €189m, equivalent to a margin of 22.8%.

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

Sustainability

Table 7: Main sustainability figures

	H1 20[1]	H1 21[1]	Change y/y
Workplace Health & safety			
Lost Time Injury Frequency Rate (LTIFR)[2]	1.10	1.28	+16%
Total Recordable Incident Rate (TRIR)[3]	2.65	3.00	+13%
Environment			
Primary (direct) energy used (TJ)	283	330	+17%
Secondary (indirect) energy use (TJ)	379	392	+3%
of which, Electricity (TJ)	325	338	+4%
from renewable sources (TJ)	199	336	+69%
from standard combustion sources (TJ)	127	2	-99%
renewable electricity (%)	61	100	+63%
Fresh water consumption (thousand m3)	229	267	+17%
Waste production (kt)	33	36	+8%
of which, hazardous (kt)	6	5	-12%
of which, non-hazardous (kt)	27	30	+12%
Waste recycled (kt)	23	28	+20%
Employees			
Number of employees (as of the end of the period)[4]	24,356	25,947	+7%
employees aged < 35 (%)	36.4	35.3	-1.1 p.p.
employees aged 35-44 (%)	37.3	38.2	+0.9 p.p.
employees aged 45-54 (%)	18.6	19.4	+0.8 p.p.
employees aged 55-60 (%)	5.3	4.8	-0.5 p.p.
employees > 60 (%)	1.8	2.3	+0.5 p.p.
employees other not classified (%)	0.6	-	-
Women in workforce (%)	18.9	19.0	+0.1 p.p.
Women in management positions (%)	10.8	11.9	+1.1 p.p.
Supply chain			
No. of Tier 1 suppliers	14,816	14,408	-3%
Purchase volume (€m)	3,612	3,273	-9%

1. Non-audited figures.
2. LTIFR index is calculated for 1,000,000 hours worked and includes all accidents with at least one workday loss.
3. TRIR index is calculated for 1,000,000 hours worked and includes fatalities, lost time accidents, restricted work and medical treatment cases.
4. Headcount totals in H1 21 include the recent acquisition of Senvion assets.

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

Outlook

Economic situation

After the major impact of the pandemic in 2020, prospects for an economic recovery were better as 2021 began. The latest report from the International Monetary Fund[10] (IMF) projects that the world economy will grow by 6.0% in 2021 and 4.4% in 2022, i.e. 0.5 and 0.2 percentage points higher, respectively, than its January 2021 estimates. In the medium term, it projects global growth of 3.3%. Despite this improvement, the overall outlook remains uncertain and dependent on the evolution of the pandemic, support policies, the evolution of funding conditions and commodity prices, and the ability of the economy to adapt to health-related constraints on activity.

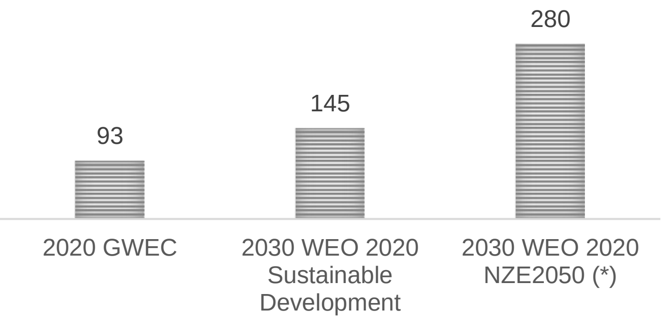
The pace of recovery will differ between developed and developing economies, and between countries within each group. According to the IMF, the advanced economies will achieve growth of 5.1% in 2021 and 3.6% in 2022 while the emerging economies (including China) will expand by 6.7% in 2021 and 5.0% in 2022.

In the short and medium term, the recovery will depend on measures to overcome the crisis, such as spending on vaccination, appropriate fiscal support policies and an expansionary monetary policy. Looking farther ahead, overcoming the impact of the pandemic and laying the foundations for solid long-term growth will require appropriate policies and the implementation of comprehensive reforms leading to equitable, sustainable economic development in a context of strong international cooperation. Actions to mitigate climate change, including investment in "green" infrastructure, will play a key role in achieving such development.

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

As noted in the previous section, measures aimed at mitigating climate change, including investment in "green" infrastructure, play a central role not only in the economic recovery over the short term but also in laying the foundations for solid, sustainable growth in the long term. Recognition of this role has prompted governments, supranational organizations, companies and not-for-profit entities to announce plans to step up their emission reduction targets, consequently improving the long-term prospects for wind power, as reflected in the scenarios set out in the International Energy Agency's (IEA) WEO 2020[11].

Figure 8: Annual installations 2020 vs. 2030E (GW/year$_e$)[11, 12]



(*) NZE2020: Net Zero global emissions in 2050 scenario

Both the Global Wind Energy Council (GWEC) and BloombergNEF reach similar conclusions as to the need to step up the pace of wind installations in order to attain the decarbonization targets. According to the GWEC's latest report[12], the pace of wind installations is 50% lower than what is needed to achieve goals compatible with controlling climate change (i.e. 180 GW/year). BloombergNEF[13] estimates that installations need to average 375 GW per year in order to keep global warming below 2°C.

It is important to highlight two factors that will play a major role in achieving the long-term decarbonization target:

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[10] International Monetary Fund (IMF). World Economic Outlook. April 2021.

[11] International Energy Agency (IEA). World Energy Outlook 2020 (WEO 2020). October 2020.

[12] Global Wind Energy Council (GWEC). Global Wind Report 2021. March 2021.

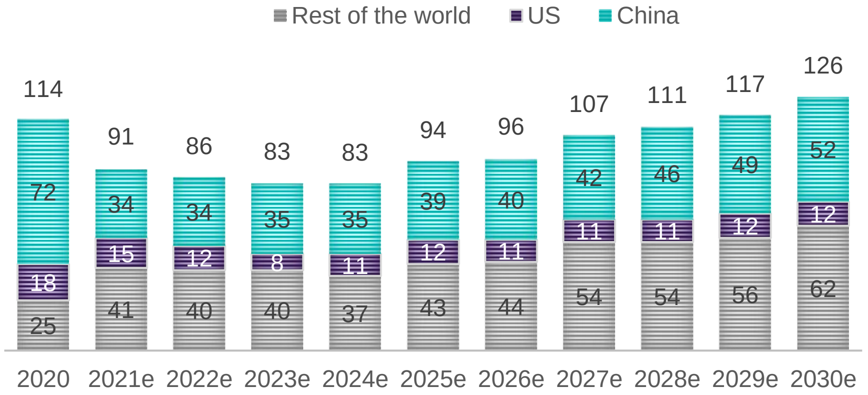
[13] BloombergNEF. New Energy Outlook 2020 (NEO 2020). October 2020.

- The establishment of short- and medium-term sub-targets and of effective regulatory frameworks and appropriate incentive systems.
- Wind power's growing competitiveness, with costs falling steadily as a result of technology improvements and low funding costs: IRENA estimates that by 2030 the cost of Onshore wind will fall by 25% with respect to 2018, with Offshore wind costs down 55% in the same terms.

The impact on demand trends of the regulatory framework and incentives is reflected in the large installation volume in 2020: 114 GW installed (+82% y/y), according to Wood Mackenzie[14]. This growth is concentrated in the Chinese market (primarily) and also in US, both driven by the expected change in Onshore incentive systems (from January 2021 in China and from January 2022 in US).

This peak of installations in 2020 helps to explain the projected reduction in annual installations through 2024, a reduction that is exclusively in the Onshore market, and primarily in China and US. The pace of global installations will resume positive growth in 2025 and will maintain that trend during the second half of the decade (with total volume projected to be 556 GW, compared with 436 GW in the first half).

Figure 9: Annual installations 2020-2030E (GW/year$_e$)[14]



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

Figure 10: Average wind installations per year (Onshore and Offshore) 2018-29E (GW)[14]

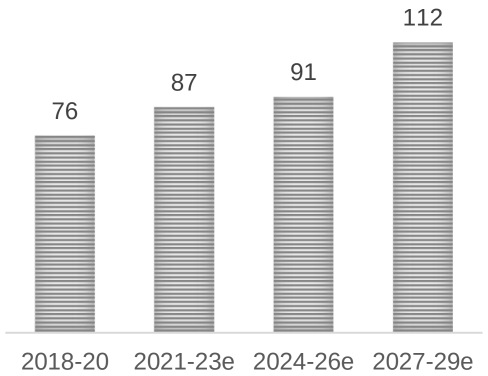
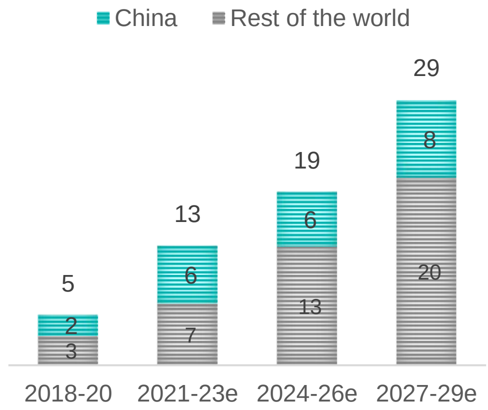


Figure 11: Average Offshore wind installations per year 2018-29E (GW)[14]



[14] Wood Mackenzie (WM). Global Wind Power Market Outlook Update: Q1 2021. March 2021.

The change in market projections with respect to those published by Wood Mackenzie the preceding quarter (Global Wind Market Outlook Q4 20) shows a net increase in cumulative installations worldwide of 95 GW this decade, concentrated mainly in China (+90 GW) and US (+8 GW), with the Onshore market accounting for 81% of the improvement. The improved prospects for the Chinese market are due to the new goal, announced in December 2020, of attaining 1,200 GW of wind/solar capacity by 2030. In the US, the improvement is due to the extension of the production tax credits (PTCs). Increases in demand projections in Europe this decade are headed by Spain (+1.5 GW) and Germany (+1 GW), while the projections for the Middle East and Africa (MEA) over the next 9 years have been downgraded (-4.6 GW). This reduction comes on the heels of the poorer pace of installation in 2020 (c. 900 MW installed, vs. projections of 1.5 GW at end-2020) as a result of the pandemic. Projections for South Africa, the main market in the MEA region, have remained constant (12 GW in cumulative installations in 2021-2029).

China (335 GW), US (82 GW), India (63 GW) and Germany (27 GW) are expected to retain their positions as the largest Onshore markets, accounting for 66% of total accumulated installations projected for 2021-2030. Brazil, France, Spain, South Africa, Sweden and Turkey, with cumulative installations of between 10 GW and 20 GW each, will contribute 12% in the same period.

Although new markets are emerging, the Offshore market is still much more concentrated. China, with 73 GW of installations in 2021-2030, will account for 33% of total installations in the period. Europe, led by the United Kingdom (30 GW of installations in the same period), will install 85 GW, accounting for 39% of the total. They will be followed by US (32 GW in 2021-2030) and Taiwan (10 GW). The contribution by new markets such as US will be concentrated in the second half of the decade (2026-2030).

Aside from the pace of installation, price dynamics remain unchanged with respect to the preceding quarter, and continue to stabilize in the Onshore market. According to BloombergNEF[15], the average price for Onshore contracts signed in the second half of 2020 was €0.77M/MW including installation (€0.72M/MW excluding installation), in line with average prices in contracts signed in the first half of 2020. In terms of product, Wood Mackenzie[16] notes that the >3 MW category dominates the Onshore market, and that the average capacity in contracts signed in 2021 is now over 4 MW. Declines in prices in the Offshore market have been limited to date, and fully offset by operating efficiency gains. Future trends will depend both on auction outcomes and on the contribution by technology developments and supply-chain efficiencies to reductions in the cost of energy. In terms of product, the 7 MW-10 MW category dominates the market (apart from China), while Wood Mackenzie[16] reports that the average capacity in contracts signed in 2021 is over 13 MW.

Summary of the main events relating to wind power in Q2 21[17]

During Q2 21, the following information was published and the following measures were adopted in connection with government commitments and actions aligned with the energy transition.

With regard to commitments to emission reduction and renewable power generation:

- **COP 26:** a United Nations report notes that, although most of the parties have increased their emission-reduction commitments, existing commitments would provide a reduction of just 1% by 2030 with respect to the 2010 baseline. That is far from the 25% reduction required to keep global warming under 2ºC and from the 45% reduction required to keep it under 1.5ºC. The parties must increase their emission-reduction commitments.
- **Ireland:** a binding commitment has been made to reduce greenhouse gas emissions by 51% in 2030 with respect to the 2018 level, on the path to achieving a climate-neutral economy by 2050 at the latest. Offshore wind power is seen as playing a very important role in attaining that goal.
- **Spain:** the Integrated National Energy and Climate Plan 2021-2030 was passed, which sets out the goal of 50 GW of wind capacity by 2030, 10 GW more than what WM[14] projects for that date.

[15]BloombergNEF. 2H 2020 Wind Turbine Price Index. December 2020.

[16]Wood Mackenzie (WM). Global wind turbine order database: March 2021.

[17]This section is a non-exhaustive list of government commitments and actions aligned with the energy transition towards a sustainable model.

- **United Kingdom:** the strategy for decarbonizing industry by 2050 was published, with the emissions trading system (ETS) playing a fundamental role. This ETS will incentivize power purchase agreements with clean power plants, as "dirty" power will be more expensive.
- **US:** the country rejoined the Paris Agreement. The new administration also signed a number of executive orders to address climate change and put US on track to have an emissions-free energy system by 2035, reaching a net zero emissions economy by 2050.
- **China**: the fourteenth five-year plan was approved along with the long-term objectives for 2035, in which China made a non-binding commitment to increase non-fossil fuels to approximately 20% of its energy mix by 2025 (from 15.8% attained in 2020). The document contains the commitment announced in 2020 of achieving carbon-neutrality by 2060.

Additionally, the following information has been released and the following measures have been adopted:

- **Germany:** the European Commission approved the support mechanism for offshore wind energy projects, which means that the auctions scheduled between 2021 and 2025 have been approved. However, it has not yet passed the Renewable Energy Sources Act (EEG), which has been in force since January 2021, and this is causing delays in announcing the results of the Onshore auctions.
- **United Kingdom:** the auction for the rights to develop approximately 8 GW of Offshore wind in English and Welsh waters concluded, reaching a record price of GBP 154,000/MW/year. Winning projects will be installed in around 2030.
- **US:**
    - The proposed infrastructure plan includes a 10-year extension to the production tax credits (PTC) and investment tax credits (ITC) for renewable energy projects.
    - A goal of 30 GW Offshore wind by 2030 was announced at Federal level, coinciding with the current projection by WM[14] (32 GW), putting the US on the path to reach 110 GW by 2050. Massachusetts stepped up its Offshore target for 2035 by 2.4 GW as proposed last quarter. This creates new development opportunities in addition to the 1.6 GW already contracted and the 1.6 GW expected to be auctioned in 2021 (set out in the auction summary in the next section of this report).
    - Having completed the environmental review of the Vineyard Wind project and approved the related construction and operation plan, the Bureau of Ocean Energy Management (BOEM) has announced plans to review the Ocean Wind project and 10 other projects this year. In addition, by 2025 it plans to complete the environmental assessment of at least 16 additional projects amounting to just over 19 GW, and to launch new auctions for seabed leases in New York Bight for approximately 10 GW in 2021 or 2022.
- **India:** new regulations have improved the conditions for power purchase agreements with electricity distribution companies (DISCOM), which has increased developer interest in renewable projects. Additionally, the Ministry of New and Renewable Energy (MNRE) approved an extension of up to 6 months (including the previous 5-month extension) for the execution of projects affected by COVID-19, which resulted in some projects planned for 2020 being postponed to 2021.

Auction summary[18]

Approximately 5.8 GW of wind capacity were allocated in Q2 21 (Table 8).

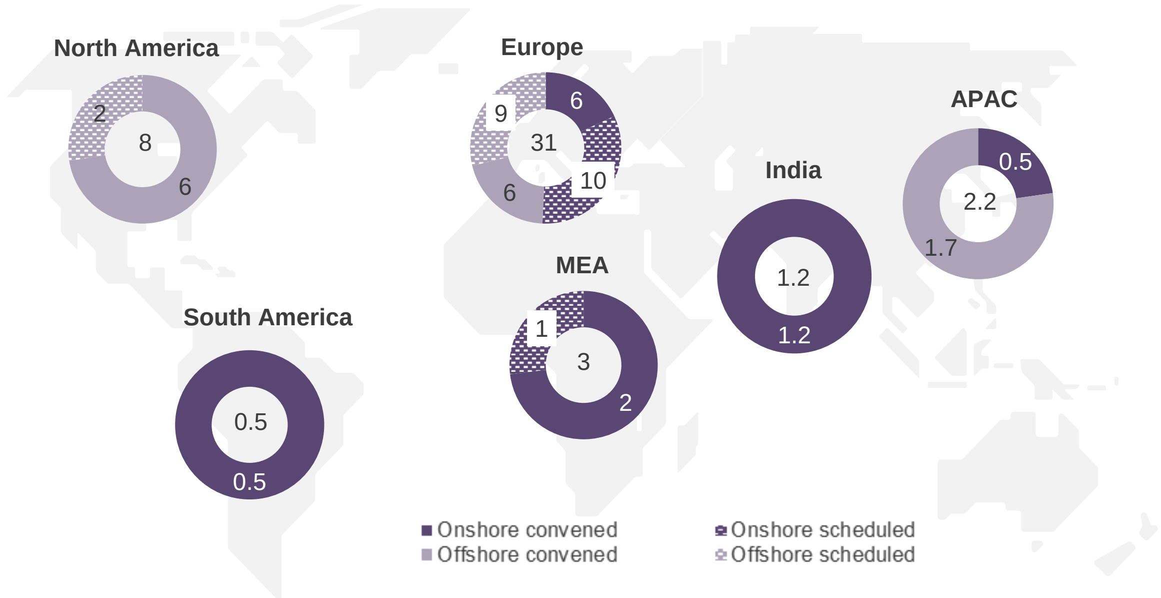
Table 8: Main auctions whose outcome was published in Q2 21

Auction	Type	Technology	MW[1]	Average price €/MWh[2]	COD[3]
France – VII	Specific	ON	520	60	2024
Italy – IV	Neutral	ON	259	69	2023
Poland – direct assignment[4]	Specific	OF	2,850	70	2027
Spain	Neutral	ON	998	25	2024
India – SECI X	Specific	ON	1,200	32	2022

1. MW awarded to ON or OF.
2. Using the exchange rate on the date the results were announced.
3. Expected commercial operation date based on auction conditions (not necessarily binding).
4. Announced in April 2021, which actually corresponds to Q3 21.

Auctions totaling 46 GW of wind capacity are expected in the remainder of 2021 (Figure 12): 21 GW for Onshore projects and 25 GW for Offshore projects. Those figures include the CfD 4 auction in the UK (estimated at 9 GW Offshore and 2 GW Onshore) but do not include the auctions planned in Brazil as the assigned capacity cannot be estimated reliably (1 GW were assigned to Onshore projects in 2019).

Figure 12: Auctions [GW] planned for calendar 2021[19]



There are also 98 GW planned for subsequent years in Belgium, Denmark, France, Germany, Ireland, Lithuania, the Netherlands, Poland, South Africa, Spain, the United Kingdom, the United States, Japan, and Taiwan, of which 52 GW will be Onshore and 45 GW Offshore.

[18] This section is not an exhaustive list of all auction outcomes or all planned auctions.

[19] In the figure, "convened" refers to auctions that have been published officially, while "scheduled" refers to auctions about which there is a high degree of certainty, in some cases because they are reflected in the competent authorities' official plans, but which have not been officially announced.

FY21 Guidance

	H1 21	Guidance November 2020	Guidance April 2021
Revenue (€m)	4,631	10,200-11,200	10,200-10,500
EBIT margin pre PPA and before integration and restructuring costs (%)	5.0%	3.0%-5.0%	3.0%-5.0%

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

The Group had a strong start to FY21, both on an operational and a commercial level. Revenue for the first half of the fiscal year grew 10% to €4,631m (16% at constant exchange rate) and the EBIT margin pre PPA and before integration and restructuring costs amounted to 5.0%. The order book as of March 31, 2021, i.e. €33,743m, covers 99% of the low end of the revenue guidance range for FY21.

However, this performance cannot be extrapolated to H2 21, when together with a higher level of activity in Onshore and Service, a higher cost of supplies and a lower contribution of Offshore projects to the WTG revenue mix, especially in Q4 21 with the ramp-up of production of the new SG 11.0-200 DD wind turbine, are also expected. In the commercial activity, a reduction in the volume of contracts is expected, driven by the strategy in the Onshore market of prioritizing returns over volumes and by the volatility of the Offshore market, including Sofia firm order impact that was initially expected for Q3 21.

Following the H1 21 results coupled with additional information about the pandemic’s impact on the wind market and about the evolution of raw material prices, Siemens Gamesa has decided to narrow the guidance range it released to the market in November 2020. Revenue is now expected to reach between €10.2bn and €10.5bn for FY21, while the range for the EBIT margin pre PPA and before integration and restructuring costs of 3% to 5% remains.

The new revenue guidance reflects the evolution of commercial activity with delays in the signing of contracts for both Onshore and repowering, planned for execution in FY21, and of project execution. In this regard, the weakness of demand in the Indian market and of project execution in Brazil in H1 21 is particularly noteworthy. The level of activity is also impacted by deferrals in execution and deliveries partially driven by our customers activity planning.

The guidance for EBIT margin pre PPA and before integration and restructuring costs is maintained considering the following:

- H1 21 performance and ongoing efficiency measures linked to the LEAP program.
- Normalization of the Service EBIT margin (low failure rates and reduced third party spending in Q1 21).
- Lower contribution of Offshore projects specially in Q4 21 due to the manufacturing ramp-up of the new SG 11.0-200 DD.
- Higher expected cost of supplies driven by:
  - Raw material price increases.
  - Volume reduction.

Within integration and restructuring costs (€118m in H1 21), restructuring costs will increase steadily in the coming quarters as actions to regain normalized sustainable long-term profitability in WTG are accelerated. The expected integration and restructuring costs for the year remains unchanged at c. €300m.

The estimated impact of the PPA on the amortization of intangibles is maintained at c. €250m for FY21 (€119m in H1 21), and the impact on cash of using the Adwen provisions remains at €125m (€35m in H1 21).

Annex

Financial Statements January 2021 – March 2021

Profit and Loss Account

EUR in Millions	January - March 2020	January - March 2021	October 2019 - March 2020	October 2020 - March 2021
Revenue	2,204	2,336	4,204	4,631
Cost of sales	(2,141)	(2,137)	(4,198)	(4,230)
Gross Profit	**63**	**199**	**6**	**401**
Research and development expenses	(53)	(87)	(102)	(154)
Selling and general administrative expenses	(137)	(132)	(260)	(253)
Other operating income	11	3	13	5
Other operating expenses	(2)	(2)	(3)	(5)
Results of companies accounted for using the equity method	(1)	-	(1)	1
Interest income	4	2	6	5
Interest expense	(19)	(9)	(33)	(25)
Other financial income (expense), net	(4)	(4)	(6)	(3)
Income from continuing operations before income taxes	**(139)**	**(31)**	**(381)**	**(27)**
Income tax expenses	(28)	(35)	40	(27)
Income from continuing operations	**(166)**	**(65)**	**(340)**	**(54)**
Income from discontinued operations, net of income taxes	-	-	-	-
Non-controlling interests	1	-	1	(1)
Net income attributable to the shareholders of SGRE	**(165)**	**(66)**	**(339)**	**(54)**

Balance Sheet

EUR in Millions	03.31.2020	09.30.2020	10.01.2020 (*)	03.31.2021
Assets:				
Cash and cash equivalents	1,421	1,622	1,622	1,515
Trade and other receivables	1,036	1,141	1,142	1,054
Other current financial assets	299	212	212	252
Trade receivables from related companies	37	1	1	5
Contract Assets	1,808	1,538	1,538	1,464
Inventories	2,115	1,820	1,820	1,886
Current income tax assets	210	198	198	194
Other current assets	466	398	398	449
Total current assets	**7,392**	**6,929**	**6,931**	**6,819**
Goodwill	4,629	4,550	4,562	4,610
Other intangible assets	1,946	1,780	1,780	1,715
Property, plant and equipment	2,087	2,239	2,238	2,530
Investments accounting for using the equity method	70	66	66	67
Other financial assets	191	235	235	221
Deferred tax assets	534	529	526	490
Other assets	6	4	4	5
Total non-current assets	**9,463**	**9,403**	**9,411**	**9,638**
Total assets	**16,855**	**16,332**	**16,342**	**16,457**
Liabilities and equity:				
Short-term debt and current maturities of long-term debt	487	434	434	607
Trade payables	2,332	2,956	2,956	2,493
Other current financial liabilities	150	127	127	145
Trade payables to related companies	212	8	8	38
Contract Liabilities	3,101	3,148	3,171	3,237
Current provisions	723	723	715	672
Current income tax liabilities	138	177	180	130
Other current liabilities	682	761	735	728
Total current liabilities	**7,825**	**8,335**	**8,327**	**8,051**
Long-term debt	1,229	1,236	1,236	1,680
Provisions for pensions and similar obligations	14	20	20	18
Deferred tax liabilities	391	229	225	191
Non-current provisions	1,472	1,422	1,443	1,388
Other financial liabilities	174	126	126	111
Other liabilities	53	29	29	28
Total non-current liabilities	**3,333**	**3,062**	**3,080**	**3,416**
Issued capital	116	116	116	116
Capital reserve	5,932	5,932	5,932	5,932
Retained earnings and other components of equity	(351)	(1,114)	(1,114)	(1,059)
Non-controlling interest	1	1	1	1
Total Equity	**5,697**	**4,935**	**4,935**	**4,990**
Total Liabilities & Equity	**16,855**	**16,332**	**16,342**	**16,457**

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

Cash Flow Statement

EUR in Millions	January - March 2020	January - March 2021	October 2019 - March 2020	October 2020 - March 2021
Net Income before taxes	(139)	(31)	(381)	(27)
Amortization + PPA	182	182	354	363
Other P&L (*)	(4)	2	(5)	9
Working Capital cash flow effective change (***)	(98)	(31)	34	(349)
Charge of provisions (**)	61	38	240	89
Provision payments (**)	(73)	(74)	(179)	(157)
CAPEX	(109)	(149)	(201)	(289)
Investment in leased assets (****)	(54)	(180)	(73)	(272)
Adwen provision usage (**)	(15)	(11)	(56)	(35)
Tax payments	(50)	(70)	(135)	(78)
Acquisitions of businesses, net of cash acquired	(151)	-	(151)	-
Others	(20)	28	(21)	23
Cash flow for the period	**(470)**	**(295)**	**(575)**	**(722)**
Beginning cash / (net financial debt)	175	(476)	280	(49)
Ending cash / (net financial debt)	(295)	(771)	(295)	(771)
Variation in net financing cash flow	**(470)**	**(295)**	**(575)**	**(722)**

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

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

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

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

Key Balance Sheet Positions

EUR in Millions	03.31.2020	09.30.2020	10.01.2020 (*)	03.31.2021
Property, plant and equipment	2,087	2,239	2,238	2,530
Goodwill & Intangibles	6,575	6,330	6,342	6,325
Working capital	(865)	(1,976)	(1,971)	(1,639)
Other, net (**)	458	584	582	652
Total	**8,254**	**7,177**	**7,191**	**7,868**
Net financial debt / (cash)	295	49	49	771
Provisions (***)	2,209	2,165	2,178	2,078
Equity	5,697	4,935	4,935	4,990
Other liabilities	53	29	29	28
Total	**8,254**	**7,177**	**7,191**	**7,868**

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

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

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

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

Annex

Alternative Performance Measures

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

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

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

Net Financial Debt (NFD)

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

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

€m	03.31.2019	06.30.2019	09.30.2019	10.01.2019 (*)	12.31.2019
Cash and cash equivalents	1,353	954	1,727	1,727	1,661
Short-term debt	(345)	(471)	(352)	(418)	(513)
Long-term debt	(1,126)	(674)	(512)	(1,029)	(974)
Cash / (Net Financial Debt)	**(118)**	**(191)**	**863**	**280**	**175**

€m	03.31.2020	06.30.2020	09.30.2020	12.31.2020	03.31.2021
Cash and cash equivalents	1,421	1,695	1,622	1,533	1,515
Short-term debt	(487)	(546)	(434)	(636)	(607)
Long-term debt	(1,229)	(1,239)	(1,236)	(1,372)	(1,680)
Cash / (Net Financial Debt)	**(295)**	**(90)**	**(49)**	**(476)**	**(771)**

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

Working capital (WC)

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

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

€m	03.31.2019	06.30.2019	09.30.2019	10.01.2019 Comp. (*)	12.31.2019
Trade and other receivables	1,137	1,421	1,287	1,287	1,079
Trade receivables from related companies	35	39	22	22	29
Contract assets	1,771	1,952	2,056	2,056	1,801
Inventories	2,006	2,044	1,864	1,864	2,071
Other current assets	464	651	461	451	578
Trade payables	(2,352)	(2,483)	(2,600)	(2,600)	(2,282)
Trade payables to related companies	(153)	(250)	(286)	(286)	(188)
Contract liabilities	(1,991)	(2,267)	(2,840)	(2,840)	(3,193)
Other current liabilities	(706)	(869)	(798)	(798)	(833)
Working Capital	**211**	**238**	**(833)**	**(843)**	**(939)**

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

€m	03.31.2020	06.30.2020	09.30.2020	10.01.2020 (*)	12.31.2020	03.31.2021
Trade and other receivables	1,036	1,174	1,141	1,142	1,150	1,054
Trade receivables from related companies	37	37	1	1	1	5
Contract assets	1,808	1,715	1,538	1,538	1,517	1,464
Inventories	2,115	2,064	1,820	1,820	1,718	1,886
Other current assets	466	584	398	398	467	449
Trade payables	(2,332)	(2,544)	(2,956)	(2,956)	(2,346)	(2,493)
Trade payables to related companies	(212)	(237)	(8)	(8)	(47)	(38)
Contract liabilities	(3,101)	(3,362)	(3,148)	(3,171)	(3,393)	(3,237)
Other current liabilities	(682)	(929)	(761)	(735)	(767)	(728)
Working Capital	**(865)**	**(1,498)**	**(1,976)**	**(1,971)**	**(1,699)**	**(1,639)**

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

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

Capital Expenditure (CAPEX)

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

€m	Q2 20	Q2 21	H1 20	H1 21
Acquisition of intangible assets	(42)	(50)	(84)	(89)
Acquisition of Property, Plant and Equipment	(67)	(99)	(117)	(200)
CAPEX	**(109)**	**(149)**	**(201)**	**(289)**

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Acquisition of intangible assets	(54)	(44)	(39)	(50)	(187)
Acquisition of Property, Plant and Equipment	(97)	(205)	(101)	(99)	(502)
CAPEX	**(151)**	**(249)**	**(140)**	**(149)**	**(689)**

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Acquisition of intangible assets	(46)	(38)	(42)	(42)	(169)
Acquisition of Property, Plant and Equipment	(81)	(143)	(50)	(67)	(341)
CAPEX	**(127)**	**(181)**	**(92)**	**(109)**	**(510)**

Definitions of Cash Flow

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

€m	H1 20	H1 21
Net Income before taxes	(381)	(27)
Amortization + PPA	354	363
Other P&L (*)	(5)	9
Charge of provisions	240	89
Provision usage (without Adwen usage)	(179)	(157)
Tax payments	(135)	(78)
Gross Operating Cash Flow	**(106)**	**199**

€m	Q2 20	Q2 21
Net Income before taxes	(139)	(31)
Amortization + PPA	182	182
Other P&L (*)	(4)	2
Charge of provisions	61	38
Provision usage (without Adwen usage)	(73)	(74)
Tax payments	(50)	(70)
Gross Operating Cash Flow	**(23)**	**47**

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

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

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

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

	Q2 20 (*)	Q3 20 (*)	Q4 20 (*)	Q1 21 (*)	Q2 21 (*)
Order Intake Onshore Wind (€m)	1,289	872	1,698	1,619	1,330
Order Intake Onshore Wind (MW)	1,645	1,200	2,713	2,360	2,113
ASP Order Intake Wind Onshore	**0.78**	**0.73**	**0.63**	**0.69**	**0.63**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €61m in Q2 20, €0m in Q3 20, €0m in Q4 20, €0m in Q1 21 and €51m in Q2 21.

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

	Q3 20 (*)	Q4 20 (*)	Q1 21 (*)	Q2 21 (*)	LTM Mar 21
Order Intake Onshore Wind (€m)	872	1,698	1,619	1,330	5,519
Order Intake Onshore Wind (MW)	1,200	2,713	2,360	2,113	8,387
ASP Order Intake Wind Onshore	**0.73**	**0.63**	**0.69**	**0.63**	**0.66**

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

	Q3 19 (*)	Q4 19 (*)	Q1 20 (*)	Q2 20 (*)	LTM Mar 20
Order Intake Onshore Wind (€m)	1,695	2,238	1,611	1,289	6,832
Order Intake Onshore Wind (MW)	2,130	3,147	2,563	1,645	9,485
ASP Order Intake Wind Onshore	**0.80**	**0.71**	**0.63**	**0.78**	**0.72**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €33m in Q2 19, €1m in Q3 19, €2m in Q4 19, €0m in Q1 20 and €61m in Q2 20.

	Q3 18 (*)	Q4 18	Q1 19 (*)	Q2 19 (*)	LTM Mar 19
Order Intake Onshore Wind (€m)	1,166	1,985	1,793	1,167	6,112
Order Intake Onshore Wind (MW)	1,660	2,631	2,370	1,742	8,402
ASP Order Intake Wind Onshore	**0.70**	**0.75**	**0.76**	**0.67**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €9m in Q3 18, €6m in Q1 19 and €33m in Q2 19.

Order Intake, Revenue and EBIT

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Group	5,342	2,564	2,281	5,500	15,686
Of which WTG ON	872	1,698	1,619	1,381	5,570

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Group	4,666	3,076	4,628	2,203	14,573
Of which WTG ON	1,695	2,240	1,611	1,350	6,896

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

Onshore:

MW	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Onshore	1,200	2,713	2,360	2,113	8,387

MW	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Onshore	2,130	3,147	2,563	1,645	9,485

Offshore:

MW	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Offshore	2,860	-	-	2,607	5,467

MW	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Offshore	1,528	72	1,279	-	2,879

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
WTG	1,947	2,325	1,899	1,902	8,073
Service	464	543	396	434	1,837
TOTAL	**2,411**	**2,868**	**2,295**	**2,336**	**9,910**

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
WTG	2,242	2,527	1,634	1,808	8,212
Service	390	417	366	395	1,568
TOTAL	**2,632**	**2,944**	**2,001**	**2,204**	**9,780**

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

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

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

€m	H1 20	H1 21
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(381)	(27)
(-) Income from investments acc. for using the equity method, net	1	(1)
(-) Interest income	(6)	(5)
(-) Interest expenses	33	25
(-) Other financial income (expenses), net	6	3
EBIT	**(347)**	**(5)**
(-) Integration costs	58	56
(-) Restructuring costs	52	62
(-) PPA impact	135	119
EBIT pre-PPA and integration & restructuring costs	**(103)**	**232**

€m	Q2 20	Q2 21
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(139)	(31)
(-) Income from investments acc. for using the equity method, net	1	-
(-) Interest income	(4)	(2)
(-) Interest expenses	19	9
(-) Other financial income (expenses), net	4	4
EBIT	**(118)**	**(19)**
(-) Integration costs	37	29
(-) Restructuring costs	45	42
(-) PPA impact	69	59
EBIT pre-PPA and integration & restructuring costs	**33**	**111**

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

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

€m	H1 20	H1 21
EBIT	(347)	(5)
Amortization, depreciation and impairment of intangible assets and PP&E	354	363
EBITDA	**7**	**358**

€m	Q2 20	Q2 21
EBIT	(118)	(19)
Amortization, depreciation and impairment of intangible assets and PP&E	182	182
EBITDA	**63**	**163**

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
EBIT	(472)	(139)	14	(19)	(615)
Amortization, depreciation and impairment of intangible assets and PP&E	290	200	180	182	853
EBITDA	**(181)**	**61**	**194**	**163**	**238**

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
EBIT	56	67	(229)	(118)	(224)
Amortization, depreciation and impairment of intangible assets and PP&E	148	204	172	182	706
EBITDA	**204**	**271**	**(57)**	**63**	**481**

Net income and Net income per share (EPS)

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

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

	Q2 20	H1 20	Q2 21	H1 21
Net Income (€m)	(165)	(339)	(66)	(54)
Number of shares (units)	679,399,017	679,516,555	679,981,880	679,745,848
Earnings Per Share (€/share)	**(0.24)**	**(0.50)**	**(0.10)**	**(0.08)**

Other indicators

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

€m	09.30.2019	03.31.2020	09.30.2020	03.31.2021
Actual revenue in year N (1)	-	4,204	-	4,631
Order Backlog for delivery in FY (2)	9,360	6,157	9,728	5,460
Average revenue guidance for FY (3) (*)	10,400	10,400	10,700	10,350
Revenue Coverage ([1+2]/3)	**90%**	**100%**	**91%**	**97%**

(*) FY21 revenue guidance communicated in November 2020 narrowed in April 2021 to the range between €10.2bn and €10.5bn.

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

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Order Intake	5,342	2,564	2,281	5,500	15,686
Revenue	2,411	2,868	2,295	2,336	9,910
Book-to-Bill	**2.2**	**0.9**	**1.0**	**2.4**	**1.6**

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Order Intake	4,666	3,076	4,628	2,203	14,573
Revenue	2,632	2,944	2,001	2,204	9,780
Book-to-Bill	**1.8**	**1.0**	**2.3**	**1.0**	**1.5**

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
CAPEX (1)	151	249	140	149	689
Amortization depreciation & impairments (a)	290	200	180	182	853
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	33	28	31	29	122
PPA Amortization on Intangibles (c)	68	59	60	59	246
Depreciation & Amortization (excl. PPA) (2=a-b-c)	189	112	90	94	485
Reinvestment rate (1/2)	**0.8**	**2.2**	**1.6**	**1.6**	**1.4**

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
CAPEX (1)	127	181	92	109	510
Amortization depreciation & impairments (a)	148	204	172	182	706
Amortization, depreciation & impairments of right of use assets (IFRS 16) (b)	-	-	25	27	52
PPA Amortization on Intangibles (c)	67	67	66	69	268
Depreciation & Amortization (excl. PPA) (2=a-b-c)	81	137	81	86	386
Reinvestment rate (1/2)	**1.6**	**1.3**	**1.1**	**1.3**	**1.3**

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

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

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

€m	H1 20	H1 21
Gross Profit	6	401
PPA amortization on intangibles	88	89
Integration costs	43	41
Restructuring costs	47	50
Gross Profit (pre PPA, I&R costs)	**184**	**581**

€m	Q2 20	Q2 21
Gross Profit	63	199
PPA amortization on intangibles	45	44
Integration costs	28	21
Restructuring costs	42	37
Gross Profit (pre PPA, I&R costs)	**177**	**301**

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

€m	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Gross Profit	(196)	81	202	199	286
PPA amortization on intangibles	45	45	45	44	179
Integration costs	41	49	20	21	131
Restructuring costs	100	33	13	37	183
Gross Profit (pre PPA, I&R costs)	**(10)**	**207**	**280**	**301**	**778**

€m	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Gross Profit	220	291	(57)	63	517
PPA amortization on intangibles	44	43	42	45	174
Integration costs	30	62	15	28	135
Restructuring costs	2	5	6	42	54
Gross Profit (pre PPA, I&R costs)	**296**	**401**	**7**	**177**	**880**

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

MWe	Q3 20	Q4 20	Q1 21	Q2 21	LTM Mar 21
Onshore	1,876	2,433	1,744	1,927	7,979

MWe	Q3 19	Q4 19	Q1 20	Q2 20	LTM Mar 20
Onshore	1,699	2,009	1,747	1,649	7,104

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

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

Glossary & Definitions for Alternative Performance Measures

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

AEP: annual energy production.

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

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

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

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

CAGR: Compound annual growth rate.

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

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

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

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

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

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

IP: Intellectual Property.

LTM: last twelve months.

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

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

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

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

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