CONFIDENTIAL

Date: May 14, 2024

To
The Board of Directors,
Audit Committee and Committee of Independent Directors of
Siemens Limited,
Birla Aurora,
Level 21, Plot No. 1080, Dr. Annie Besant Road,
Worli, Mumbai – 400 030.

Dear Members of the Board of Directors, Audit Committee and Committee of Independent Directors:

Sub.: Fairness Opinion on the recommendation of the Share Entitlement Ratio report for the proposed demerger of the energy business of Siemens Limited to Siemens Energy India Limited

I. Engagement Background

We understand that the Board of Directors of Siemens Limited (the "Demerged Company" or "Company") is considering a demerger of its energy business carried on by the Demerged Company ("Demerged Undertaking") into Siemens Energy India Limited (the "Resulting Company"). The proposed demerger is to be carried out pursuant to a scheme of arrangement ("Scheme") under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (the "Act").

The Demerged Company and the Resulting Company are hereinafter jointly referred to as "Parties".

We understand from the management of the Demerged Company that, pursuant to the proposed demerger, the equity shareholders of the Demerged Company will be issued equity shares in the Resulting Company as consideration for their respective shareholding in the Demerged Company. The terms and conditions of the proposed demerger are more fully set out in the draft of the Scheme shared with us ("Draft Scheme"), the final version of which will be placed before the Board of Directors of the Parties for necessary approval and will be filed by the Parties with the appropriate authorities.

We further understand that the Share Entitlement Ratio (*defined below*) for the proposed demerger has been arrived at based on the Share Entitlement Report dated 14th May 2024 prepared by Ernst & Young Merchant Banking Services LLP (the "Valuer"), which has been appointed for this exercise by the Demerged Company and the Resulting Company.

Based on our perusal of the Share Entitlement Report dated 14th May 2024 prepared by the Valuer, we understand that it has been proposed that, pursuant to the Scheme, for every 1 (*one*) fully paid up equity share of the face value of INR 2 each held by the shareholders of the Demerged Company, the Resulting Company shall issue and allot 1 (*one*) fully paid up equity share of the face value of INR 2 each, on proportionate basis (hereinafter referred to as the "Share Entitlement Ratio").

In connection with the aforesaid and in terms of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 2023 on Master Circular on Scheme of Arrangement by Listed Entities, you have requested our opinion ("Opinion"), as of the date hereof, as to the fairness of the Share Entitlement Ratio, as proposed by the Valuer.

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II. Basis of Opinion

The rationale for the Scheme as shared with us by the management of the Demerged Company is based on the Parties and the respective shareholders, employees, creditors and other stakeholders benefiting from, inter alia, the following advantages:

(i) The Demerged Company is part of the Siemens group, a technology group that is globally active, focusing on the areas of automation and digitalization in the process and manufacturing industries, intelligent infrastructure for buildings and distributed energy systems, and smart mobility solutions. Siemens Aktiengesellschaft ("**Siemens AG**"), incorporated in Germany, is the parent company of the Siemens group. The Demerged Company is one of India's largest multi-national conglomerates with interests in multiple businesses.

(ii) Siemens AG demerged its energy business globally in the year 2020 and in continuation of the aforesaid strategy, it is now proposed to demerge the Energy Business (as defined in the Draft Scheme) of the Demerged Company into an independent company whose equity shares will be listed on the Stock Exchanges (i.e. the Resulting Company).

(iii) The demerger is proposed with the aim to ensure that both the Energy Business and the Remaining Business (as defined in the Draft Scheme) focus on their core activities, portfolios and capital allocation. This will enable both businesses to have independent and focused management and adopt a clear, direct and tailored go-to-market and operational approach for the respective businesses to leverage the full potential of the Indian and export markets.

(iv) The strategic and operational separation of the Energy Business from the Remaining Business of the Demerged Company will help the businesses achieve strategic independence, financial flexibility, reduce complexities and dependencies and will sharpen strategic profiles of both the businesses.

(v) The nature and competition involved in the Energy Business is distinct from the other businesses within the Demerged Company. In order to foster the growth of the Energy Business, differentiated strategy aligned to industry specific risks, market dynamics and focused approach is required.

(vi) The following benefits are expected to accrue on demerger of the Energy Business:

 (a) formation of a company focusing solely on Energy Business will strengthen the investment and risk profile of the business;

 (b) the changing market environment requires constant decision making on the strategic orientation of the Energy Business, and as an autonomous and independent company, the Energy Business will be able to react to short term market and industry trends in a more flexible, quicker and resolute manner resulting in a strong, focused company with operations spanning the entire energy value chain including the service business;

 (c) better capital allocation in accordance with the focused strategic orientation of the business;

 (d) create greater visibility of the business and strengthen the internal and external identity thereby defining its corporate profile and its perception in the greater public;

 (e) such specialised company can attract different sets of investors, strategic partners and other stakeholders having a specific interest in the Energy Business; and

(f) unlocking the value of the Energy Business for the shareholders of the Demerged Company through an independent market driven valuation of their shares in the Resulting Company which will be listed pursuant to the Scheme.

(vii) The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.

Accordingly, it is proposed that the Demerged Undertaking of the Company be demerged and transferred on a going concern basis into the Resulting Company with mirror shareholding of the Company.

The resulting pro rata shareholding of an equity shareholder of the Demerged Company in the Resulting Company, pursuant to the proposed Scheme would be a mirror image of the existing shareholding pattern of the Demerged Company (pre-demerger) as new shares in the Resulting Company would be issued to the existing shareholders of the Demerged Company in exact proportion to their shareholding in the Demerged Company. As such, upon the Scheme becoming effective, the beneficial economic interest of the shareholders in the Demerged Company and the Resulting Company taken together, would remain the same as in the Demerged Company before the Scheme becoming effective.

Some key details related to each of the aforesaid companies are as under –

Siemens Limited, is a company incorporated under the provisions of the Companies Act, 1956 ("Act"), having Corporate Identity Number L28920MH1957PLC010839 and its registered office is at Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India. The Demerged Company is a technology company focused on industry, infrastructure, transport as well as transmission and generation of electrical power. From more resource-efficient factories, resilient supply chains, and smarter buildings and grids, to cleaner and more comfortable transportation, the Demerged Company creates technology with the purpose of adding real value for customers. By combining the real and the digital worlds, the Demerged Company empowers its customers to transform their industries and markets, to transform the everyday for people. The equity shares of the Demerged Company are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

Siemens Energy India Limited is a company incorporated under the provisions of the Act, having Corporate Identity Number U28110MH2024PLC418770 and its registered office is at Birla Aurora, Level 21, Plot No.1080, Dr. Annie Beasant Road, Worli, Mumbai – 400 030, Maharashtra, India. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

The key features of the proposed demerger provided to us through the Draft Scheme are as under:

1. With effect from the Appointed Date (as defined in the Draft Scheme) and upon the Scheme becoming effective, the Demerged Undertaking along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral part of the Demerged Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Resulting Company, as a going concern;
2. Existing paid up share capital of the Resulting Company held by the Demerged Company shall be cancelled and accordingly reduced;
3. As consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall issue and allot equity shares to the equity shareholders of the Demerged Company proportionate to their holding in the Demerged Company;

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4. Resulting Company shares to be issued and allotted by the Resulting Company pursuant to the terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of the Resulting Company including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached thereto; and
5. Share Entitlement Ratio is based on the Share Entitlement Report dated 14th May 2024 submitted by the Valuer.

We have relied upon the Draft Scheme shared with us and taken the abovementioned key features of the Scheme (together with other facts and assumptions set forth in section III of this Opinion) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by Parties including the Share Entitlement Report dated 14th May 2024 prepared by the Valuer and the Draft Scheme.

In connection with this Opinion, we have:

(i) reviewed the Draft Scheme and the Share Entitlement Report dated 14th May 2024 prepared by the Valuer;
(ii) reviewed certain publicly available historical and operational information with respect to each of the relevant entities available in their respective annual & interim reports and company presentations;
(iii) current capital structure / shareholding pattern of the Parties;
(iv) reviewed certain historical business and financial information relating to each of the Parties, as provided by the respective companies, and sought certain clarifications with respect to the same;
(v) considered publicly available research on the Parties as available with us as at the date hereof;
(vi) sought various clarifications from the respective senior management teams of the Parties; and
(vii) considered such other information and factors as we deemed appropriate.

We have assumed and relied upon the accuracy and completeness of all information and documents provided to us, data publicly available or otherwise reviewed by or discussed with us. We have relied upon assurances of the Parties that they are not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Company, the Resulting Company, and / or their subsidiaries / affiliates. In particular, we do not express any opinion as to the value of any asset of the Demerged Company, the Resulting Company, and / or their subsidiaries / affiliates, whether at the current time or in the future. No investigation of the Demerged Company's and the Resulting Company's claim to title of assets has been made for the purpose of the exercise and the claim to such rights has been assumed to be fully valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Further, we have not evaluated the solvency or fair value of the Demerged Company and / or the Resulting Company and / or their subsidiaries / affiliates under any law relating to bankruptcy, insolvency or similar matters.

We have assumed, with the Demerged Company's consent, that the Scheme will be in compliance with all applicable laws and other requirements and will be implemented on the terms described in the Draft Scheme, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no extraordinary delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Demerged Company or the Resulting Company and / or their relevant subsidiaries / affiliates and their respective shareholders. We have assumed at the direction of the Demerged Company that the final Scheme will not differ in any material respect from the

Draft Scheme. We understand from the Demerged Company's management that the Scheme will be given effect to in totality and not in parts.

We express no view or opinion as to any terms or other aspects of the Draft Scheme (other than the Share Entitlement Ratio, from a financial point of view) including, without limitation, the form or structure of the proposed transaction. We were not requested to, and we did not, participate in the negotiations for the proposed transaction. Our Opinion is limited to the fairness, from a financial point of view, of the Share Entitlement Ratio proposed by the Valuer, to the shareholders of the Demerged Company. We express no opinion or view with respect to the financial implications of the proposed demerger for any stakeholders, including creditors of the Demerged Company and the Resulting Company.

We express no view as to, and our Opinion does not address, the underlying business decision of the Demerged Company to effect the proposed demerger, the relative merits of the proposed demerger as compared to any other alternative business strategy, the effect of the proposed demerger on the Demerged Company or its affiliates, including, without limitation, possible implications on ownership structure, listing format, capital structure or trading price of the Demerged Company's shares post completion of the proposed demerger. The Demerged Company remains solely responsible for the commercial assumptions on the basis of which it has agreed to proceed with the proposed demerger. Our Opinion is necessarily based only upon information as referred to in this letter. We have relied solely on representations, whether verbal or otherwise, made by the management of the Demerged Company, for areas where the same has been made.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Demerged Company, the Resulting Company, and / or their subsidiaries / affiliates, and their respective shareholders, nor does our Opinion address any legal, tax, regulatory (including all SEBI regulations) or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, governmental investigation, or other contingent assets or liabilities to which the Demerged Company, the Resulting Company and / or their subsidiaries / affiliates, are / or may be a party.

Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect this Opinion and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders' rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Draft Scheme other than the fairness, from a financial point of view, of the Share Entitlement Ratio proposed by the Valuer, to the shareholders of the Demerged Company.

While we have provided our recommendation as to the fairness of the Share Entitlement Ratio based on the information available to us and the Share Entitlement Report dated 14th May 2024 provided by the Valuer and within the scope and constraints of our engagement, others may have a different opinion as to the Share Entitlement Ratio. The final responsibility for the determination of the entitlement ratio at which the proposed demerger shall take place will be with the Board of Directors of the respective companies who should take into account other factors such as their own assessment of the demerger.

We may have in the past provided, and may currently or in the future provide, investment banking services to the Demerged Company, Resulting Company and / or their subsidiaries or their respective affiliates, for which

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services we have received or may receive customary fees. Our engagement as a fairness opinion provider is independent of our other business relationships, which we may have with the Demerged Company, Resulting Company and / or their subsidiaries or their respective affiliates. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Limited may invest in securities of the Demerged Company, Resulting Company and / or their subsidiaries or group companies, for their own accounts and for the accounts of their customers subject to compliance of SEBI (Prohibition of Insider Trading) Regulations and, accordingly, may at any time hold a position in such securities. We will not be responsible to any other person / party for any decision. Our engagement and the Opinion expressed herein are solely for the benefit of the Board of Directors of the Demerged Company (in its capacity as such) in connection with its consideration of the proposed demerger and for none other. Delivery of our Opinion does not create any fiduciary, equitable or contractual duties on Axis Capital Limited (including, without limitation, any duty of trust or confidence). It is hereby notified that any reproduction, copying or otherwise quoting of this document or any part thereof except for the purpose mentioned herein can only be done with our prior permission in writing. Further, our Opinion is being provided only for the limited purpose of complying with the SEBI regulations and the requirement of the stock exchanges on which the Demerged Company is listed or as required under applicable law, and for no other purpose. Neither Axis Capital Limited, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The Demerged Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

The fee for our services is not contingent upon the outcome of the proposed demerger.

Our Opinion is not intended to and does not constitute a recommendation to any party as to how such party should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Share Entitlement Ratio, as proposed by the Valuer, is fair to the shareholders of Siemens Limited from a financial point of view.

Very truly yours,

For Axis Capital Limited

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Authorized Signatory

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