

May 19, 2023

To,

**The Board of Directors,
Siemens Limited**
Birla Aurora, Level 21,
Plot No. 1080,
Dr. Annie Besant Road, Worli
Mumbai – 400030

Sub: Fairness opinion on the valuation of low voltage motors and geared motors business including the respective customer service business (“Target Business”)

In terms of our engagement with Siemens Limited (“Siemens” or “Company”), Siemens has requested ICICI Securities (“I-Sec”) to provide a fairness opinion on the valuation of Target Business by Grant Thornton Bharat LLP (“GT” or “Independent Valuer”) who is the Independent Valuer appointed by the Company for the purpose of the proposed divestment of Target Business (“Proposed Transaction”).

BACKGROUND, PURPOSE AND USE OF THIS FAIRNESS OPINION

Siemens Limited is the flagship listed company of Siemens AG in India. The business of the Siemens is divided into four major segments i.e. Energy, Smart Infrastructure, Mobility and Digital Industries. It focuses on capital goods industry, infrastructure, digital transformation, transport as well as transmission and generation of electrical power.

Low Voltage Motors & Geared Motors business segment produces electrical motors for line and inverter operation. Target Business produces motors with a capacity varying from 0.12KW to 1.25MW and frame sizes between 71-450. The Target Business produces safe area motors and imports explosion proof motors and special purpose motors. The application of such products is primarily in machine building, metals, food and beverages, chemicals, power, minerals and others.

GT as an Independent Valuer has been engaged by Siemens to recommend valuation of Target Business for the Proposed Transaction, on a going concern basis with 31 March 2023 being the Valuation date. In this connection, we have been requested by Siemens to render an opinion on whether the valuation determined and recommended by the Independent Valuer vide their report dated 19 May 2023 is fair.

The Independent Valuer has recommended a business value of Target Business to be in the range of **INR 20,695.8 mn to INR 21,649.0 mn** as on the Valuation date.

This fairness opinion is intended only for the sole use and information of the Board of Directors of Siemens and only in connection with the Proposed Transaction. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Proposed Transaction or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to



ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Transaction as aforesaid can be done only with our prior permission in writing.

SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- a) Discussions (including oral) with, the draft and final valuation report and workings of the Independent Valuer;
- b) Discussions (including oral) with the managements of the Company in connection with the operations of the Company its past and present activities, future plans and prospects, share capital and shareholding pattern of the Company;
- c) Historical financials of the Target Business for the year ended 30 September 2020, 30 September 2021 and 30 September 2022;
- d) Unaudited financial statements for 6 months ending 31 March 2023;
- e) Projections of the Target Business for the period 1 April 2023 till 30 September 2028;
- f) Obtained and analysed data of peers available in public domain, as deemed relevant by us for the purpose of the present exercise; and
- g) Other relevant information and documents for the purpose of this engagement.

SCOPE LIMITATIONS

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Company including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of Siemens. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.

We have considered financial information up to 31 March 2023 in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that the Company has drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses upto the date of approval of the Proposed Transaction by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of the Company,



has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of the Company, as to how they should vote at their respective meetings, if any held in connection with the Proposed Transaction. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Transaction. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Company following the consummation of the Proposed Transaction. We also express no opinion on the likely market price of the Company post the consummation of the Proposed Transaction.

No investigation with respect to the claim to title of assets of the Company has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of the Company and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Proposed Transaction with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Proposed Transaction.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Transaction.

RATIONALE & CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the valuation range for the Target Business as recommended by the Independent Valuer is fair.

Yours faithfully,

For ICICI Securities Limited,



Raghavan Subramanian
Senior Vice- President
ICICI Securities, Mumbai
Date: May 19, 2023