

Mumbai, May 19, 2023

### Siemens Limited's Board of Directors approves sale of low voltage motors and geared motors business to a subsidiary of Siemens AG for Rs. 2,200 crore

- **Transaction consequent to intent of Siemens AG to carve out Innomotics business into a legally separate company**

The Board of Directors of Siemens Limited has approved the sale and transfer of low voltage motors and geared motors businesses including related customer service business ("the Business") to Siemens Large Drives India Private Limited, an entity wholly owned by Siemens AG, for a consideration of Rs. 2,200 crore with effect from 1<sup>st</sup> October 2023. The transaction is subject to fulfilment of conditions precedents agreed between the parties, including receipt of requisite shareholders, statutory and regulatory approvals, as applicable.

The Board of Directors has also decided to consider the distribution of 100% of the sale consideration as reduced by applicable Capital Gains Tax, and any other applicable taxes, if any, on the transaction, as a special dividend, at the first Board Meeting after completion of the proposed transaction.

The valuation was done by an external independent valuer. In addition, the Company also obtained a fairness opinion from a Category-I Merchant Banker. The consideration for the proposed transaction, recommended by the Audit committee, is based on the valuation undertaken by the independent valuer.

For FY 2022, the Business recorded a Revenue from Operations of Rs. 1,061 crore and Profit from Operations of Rs. 132 crore equivalent to around 12.5% of Revenue. This represents around 7% of the Company's Revenue from Operations and around 9% of the Company's Profit from Operations.

This transaction is consequent to the intent of Siemens AG to carve out the low voltage motors and geared motors business among others globally into a legally separate company and is based on Siemens AG's decision to form Innomotics, an integrated provider of motors and large drives. Effective 1<sup>st</sup> July 2023, the carve-out in Germany will be completed and Innomotics GmbH (Germany) will operate as a legally separate and independent company within the Siemens Group. Siemens AG indicated in a second step to diligently review options regarding the best future ownership of Innomotics. Such options include a public listing as well as a combination with a strategic partner or long-term oriented financial investor.

Sunil Mathur, Managing Director and Chief Executive Officer, Siemens Limited, said, "Siemens Limited is focused on further strengthening its position as a leading technology company. We will continue to consolidate our business along high-growth areas that have synergies with the rest of the businesses. This will enable the company to optimize its portfolio as a strategic lever, creating value and cash for Siemens."

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**Forward-looking statements:** “This document contains forward-looking statements based on beliefs of Siemens' management. The words 'anticipate', 'believe', 'estimate', 'forecast', 'expect', 'intend', 'plan', 'should', and 'project' are used to identify forward looking statements. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including, amongst others, changes in the general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services, and changes in business strategy. Actual results may vary materially from those projected here. Siemens does not intend to assume any obligation to update these forward-looking statements.”