

PRESS RELEASE

Number 33

WACKER Strengthens Silicone Business by Acquiring a Stake in Chinese Specialty Silane Manufacturer

- ◆ WACKER ACQUIRES A 60 PERCENT STAKE IN CHINESE SPECIALTY SILANE MANUFACTURER SICO PERFORMANCE MATERIAL
- ◆ ORGANOFUNCTIONAL SILANES ARE IMPORTANT COMPONENTS OF HIGH-PERFORMANCE ADHESIVES, SEALANTS, COATINGS AND COMPOSITES
- ◆ PURCHASE PRICE FOR THE STAKE IS AROUND €120 MILLION
- ◆ TRANSACTION EXPECTED TO CLOSE IN FIRST HALF OF 2022
- ◆ CEO CHRISTIAN HARTEL: "THIS NEW PARTNERSHIP IS A CONSISTENT STEP IN OUR STRATEGY TO FURTHER EXPAND THE SHARE OF HIGH-MARGIN SPECIALTIES IN OUR SILICONE BUSINESS WORLDWIDE"

Munich / Jining, October 27, 2021 – The Munich-based chemical company WACKER acquires a 60 percent stake in specialty silane manufacturer SICO Performance Material Co., Ltd, Jining (China). WACKER and SICO signed a corresponding agreement today. The transaction is expected to close in the first half of 2022 after the necessary regulatory and antitrust approvals have been granted.

"Our new partnership with SICO is a consistent step in our strategy to further expand the share of high-margin specialties in our silicone business worldwide," explains Christian Hartel, WACKER's President & CEO. "SICO is a leading manufacturer of organofunctional silanes in China, which are a

key component in high-performance adhesives, sealants, coatings, and composites. WACKER, in turn, also has decades of experience in this field. Up to now, however, we have manufactured organofunctional silanes exclusively in Germany. By acquiring a stake in SICO, we are now further expanding our range of high-performance specialty products in Asia and moving closer to our customers in these fast-growing consumer markets."

Founded in 2013, SICO Performance Material produces a range of organofunctional silanes at the Jining New Material Industrial Park in the Chinese province of Shandong, which are used, for example, in the construction, automotive, semiconductor, and electronics industries. The company, which is one of the leading suppliers in this field in China, has grown strongly in recent years, operates very profitably and generates a positive cash flow. In 2020, SICO posted annual sales of €54 million.

"We are very pleased to join forces with WACKER," says Qu Yuan, Chairman of SICO Performance Material. "WACKER is one of the global market and technology leaders in silicones. Together, we will further expand our specialty silane portfolio."

WACKER will finance the investment from its free cashflow. As the joint venture is a majority-owned company, WACKER will fully consolidate it in its consolidated financial statements after the transaction is completed.

About organofunctional silanes

WACKER produces and markets organofunctional silanes under its GENIOSIL® brand. GENIOSIL® organofunctional silanes are hybrid compounds that combine the functionality of a reactive organic group with the inorganic functionality of an alkyl silicate in a single molecule. This allows them to be used as molecular bridges between organic polymers and inorganic materials. The bridging property of the organofunctional

silanes is crucial in many applications. For example, GENIOSIL® silanes are adhesion promoters, curing agents and water scavengers, and are therefore an important component of adhesives and sealants, surface coatings, and composites. They are also used for coating fillers and for producing crosslinkable polyethylene in the plastics industry.



Organofunctional silanes are used, for example, in the formulation of highly elastic specialty adhesives for construction applications.

(Photo: Wacker Chemie AG)

This press release contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update its forward-looking statements, nor does it assume the obligation to do so.

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The company in brief:

WACKER is a global chemical company with some 14,300 employees and annual sales of around €4.69 billion (2020). WACKER has a global network of 26 production sites, 23 technical competence centers and 52 sales offices.

WACKER SILICONES

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaic industries