

Speech —

by

Dr. Christian Hartel, President & CEO,
Wacker Chemie AG, Munich / Germany

2023



Shareholders, ladies and gentlemen,

There is a sense that the world has become less secure, less than before – for everyone. There is a war going on in Europe, and even before that, nothing was like it used to be: long COVID lockdowns, unstable supply chains, rapidly increasing energy prices, massive inflationary pressure and the immense challenges resulting from climate change. Many of these factors are closely interrelated, and often amplify each other.

Everything is in turmoil – in transformation and transition to a new era. We call this a “turning point,” which also signifies people’s concern regarding the future. But there are also opportunities. Our knowledge has never been so vast. Our technological capabilities have never been this strong. Let us utilize this potential to the benefit of humanity and the environment.

This is precisely where WACKER enters the picture: *Our solutions make a better world for generations*. This is what we stand for. It is our motivation. We want to contribute to a better future – for us and for generations to come. And we are doing just that. Without WACKER, the energy transition would not be possible. Our polysilicon provides the starting material for solar cells. Our polymer solutions will help make the construction sector more efficient, and buildings more economical and more sustainable. WACKER is also essential to the mobility transition. Our silicone products are in high demand for electric vehicle manufacturing. They make batteries safer and more powerful and durable. And, without WACKER, there would be no digital transformation. Half of the world’s chips contain our polysilicon. WACKER also makes effective health protection possible. Our silicones enable high-tech applications in medical engineering. And we are expanding our production capacity for biopharmaceuticals. Proteins and mRNA actives are core technologies. This gives us the key to the future of medicine.

These examples demonstrate that WACKER has a big impact. WACKER creates added value. And you, our shareholders, are part of this story. Your investment in WACKER helps contribute to a better future. Welcome to the 17th Annual

Shareholders' Meeting of Wacker Chemie AG. I am glad to see you all here, I have been looking forward to this.

WACKER also recorded big achievements in the past business year. It was far and away the most successful year in the company's history. Despite war and crises, despite all the uncertainty and unpredictability, we grew faster than expected, surpassing even our record-breaking year of 2021.

The figures speak for themselves:

- Sales – up by a third to 8.2 billion euros.
- Earnings before interest, taxes, depreciation and amortization – also up by a third to 2.1 billion euros
- Net income for the year – up by more than 50 percent year over year to 1.3 billion euros.

These are top figures. And top figures also mean top dividends. 12 euros per share is what the Executive Board and Supervisory Board propose to you today. It is the highest dividend the company has ever paid. WACKER will be distributing roughly 50 percent of its net income for the year, in line with the company's dividend policy. That means our payment for the past business year to you, our shareholders, amounts to over 600 million euros.

The record results we achieved in 2022 were no matter of course. We had strong headwinds. The cost of energy, raw materials and logistics was 1.3 billion euros higher than the previous year. And yet we still closed the year with record figures.

How was this possible? What makes us different from our competitors? People, markets and molecules – that, in a nutshell, is what sets us apart, what makes the difference. This formula can be broken down further, into five specific points that make us stand out.

First: our product portfolio. Our chemical business in silicones and polymers, our biosolutions activities and our polysilicon business put us in a strong position. In all

these areas, we are among the global market and technology leaders. We serve many customer needs. In short: Our products are in demand.

Last year, we achieved double-digit sales growth in all business divisions – largely driven by better prices. Let's look at the results in detail.

WACKER SILICONES: In this division, sales grew by one-third last year to 3.5 billion euros. Growth in EBITDA was even stronger, with an increase of around 60 percent, to 876 million euros.

Silicones are a unique product group, real all-rounders. No other material in the world can be adapted so flexibly to so many different needs. Silicones can provide insulation for millions of volts in high-voltage cables, conduct electricity in cars and make batteries more efficient. They can rainproof clothing and make hand towels absorbent – two opposing properties. We offer around 3,000 different silicone products.

Silicones are used in virtually all sectors. Satisfying customer needs calls for research and custom-designed solutions, which is the reason for our capital expenditures, particularly in high-margin specialty products. And we have scored successes here: Today, we are the clear number two in the global silicone business.

WACKER POLYMERS: Sales grew 19 percent to 2.0 billion euros. EBITDA of 289 million euros in 2022 was 14 percent higher year over year.

Our polymer binders are in demand, especially in the construction industry. We have a clear lead in the global market for dispersible polymer powders based on vinyl acetate-ethylene copolymers. Demand is increasing, driven by issues such as building refurbishment, energy efficiency and sustainability. We will continue to expand production, worldwide. Our R&D is increasingly focused on customized and sustainable product solutions, including those based on renewable raw materials. There is also demand for sustainable solutions in the consumer segment. One example is adhesives for packaging, where the trend is clearly to use less plastic and move toward paper. This trend offers potential for WACKER POLYMERS.

WACKER BIOSOLUTIONS: This is currently our smallest business division, yet it has great ambitions – and great opportunities. In 2022, we surpassed the 300-million-euro sales mark for the first time. At 17 million euros, EBITDA came in lower than in the prior year, due to costs – for integrating the new site in San Diego as well as for the new mRNA Competence Center in Halle. We have a clear goal: We want to continue to expand our biotechnology business. We are aiming at one billion euros in sales by 2030.

You probably read this: Just under two weeks ago, we acquired ADL BioPharma in Spain. This company is among the global leaders in contract manufacturing of fermentation-based products for the food, pharmaceutical and consumer goods industries. We are also researching new approaches to utilizing renewable raw materials. To this end, we launched a partnership with the Technical University of Munich, jointly founding the Institute for Industrial Biotechnology. This paves the way for continued growth in biosolutions.

WACKER POLYSILICON: Sales in this division grew 50 percent year over year, to 2.3 billion euros. EBITDA climbed 26 percent to 826 million euros.

Polysilicon is the purest man-made product. Its manufacture is extremely energy intensive. High energy prices slowed the division's earnings trend. However, we have a strong position in this product segment. We are the only European manufacturer of consequence. Our customers are in the solar and semiconductor industries. We once again achieved a year-over-year increase in the share of hyperpure electronic-grade silicon in our portfolio. In this area, WACKER is indisputably the global number one. We also provide top-quality solar-grade silicon. We are one of the few suppliers capable of offering particularly high-quality polysilicon for monocrystalline solar cells – with extremely high efficiency.

Ladies and gentlemen,

Attractive, innovative and high-growth products are one thing. What else sets us apart?

The second factor: We are close to our customers. We have them in mind in everything we do. Their satisfaction is key – all over the globe. In 2022, we significantly expanded our business in all regions. In Europe, we generated almost 2.8 billion euros in sales – up 19 percent. In the Americas, sales grew about 44 percent year over year, to 1.3 billion euros. And in Asia, our sales grew by 40 percent to 3.7 billion euros. Today we generate about 85 percent of our sales outside of Germany and over 60 percent outside of Europe. Our worldwide presence allows us to continue our global growth.

Third: Financial stability is a major factor in WACKER's success. And, as a matter of fact,, we have a very solid financial basis. We are investing systematically in our future. Last year, we spent around 550 million euros on expanding our global production capacities – almost 60 percent more than in the previous year. The lion's share went to our chemical business.

We have another new site for specialty silicones – in Panagarh, India. Production began there in mid-2022. India has been an attractive growth market for many years. In addition, we have invested substantially in our chemical sites in Germany, the USA, South Korea and China.

Another key project is our mRNA Competence Center in Halle. In 2022, we were selected by the German government as a partner in its Pandemic Preparedness Plan, with the goal of producing mRNA-based vaccines. It is a huge vote of confidence in our company – and speaks for our expertise and innovative strength. We are also creating a new biotechnology research center at Corporate R&D in Munich and investing in facilities at WACKER POLYSILICON to produce particularly high-quality polysilicon for semiconductor applications.

All this investment spending will help us meet rising demand from our customers and enable us to continue growing in the years ahead.

We have made significant investments in our future and our finances are sound. Our key figures underscore that: In the past business year, net cash flow came to about 440 million euros, which was below the previous year, yet still at a high level. Our net financial assets came to around 410 million euros at the reporting date. At well over 2 billion euros, our liquid assets remained high year over year. This puts WACKER in a good financial position.

The fourth thing that sets WACKER apart is that the company stands for operational excellence and sustainability. That is what we work to achieve every single day: increasing our efficiency and becoming even more sustainable. It's part of our DNA. Our recently completed Shape the Future efficiency program helped us save a lot last year – more than 200 million euros – and helped us further strengthen our profitability.

We also stayed the course regarding our CO₂ targets. As you know, we aim to halve our absolute greenhouse gas emissions by 2030. We want to reach net zero by 2045 at the latest. We are on track.

Sustainability is an integral part of our strategy. At this point, just one example: Compared with our competitors, WACKER stands out due to its highly integrated closed-loop system. What does this involve? At our major production sites, byproducts from one stage are used as starting materials for making other products. We thereby not only reduce our energy and resource consumption, but also actively integrate environmental protection into our production processes. That, too, contributes to our Purpose: *Our solutions make a better world for generations.*

The fifth way we stand out – and, to my mind, the most important aspect that distinguishes WACKER – is that we are a strong team: a vibrant mix, international, experienced. The WACKER team. Every day, our over 15,700 employees around the globe bring dedication and passion to the workplace for the company. They are not only the foundation for our current success, but also for our future. This is why we put so much emphasis on basic and advanced training.

We offer training in more than 20 different vocations. We employ over 570 trainees – a large number. Teaching young people skills is important to us. At the same time, life-

long learning is becoming ever more important. Digitalization, new technologies, methods and processes – all this means developing new skills and capabilities. Our employees participated in around 78,000 advanced training courses last year, once again an increase of 20 percent year over year. So, you see: We are investing today in knowledge for tomorrow.

We all know that qualified, well-trained employees are essential. That includes digital literacy, which we are encouraging with the project Digital Access for All. All employees worldwide now have digital access to a variety of services. Mobile. Personalized. Around the clock.

Which brings us back to people, markets and molecules. That is our formula for success. Building on this, the WACKER team once again put in an outstanding performance in 2022. On behalf of the entire Executive Board, I would simply like to say thank you to all our employees across the globe. Thank you for your excellent work. Thank you for this outstanding team effort, which deserves the utmost respect.

We would not be successful without the partnerships we enjoy with customers and suppliers – partnerships based on mutual trust. Here, too, a thank-you to all our business partners.

Ladies and gentlemen,

WACKER once again set new records last year. WACKER is well positioned. However, it will not be possible to maintain the fast pace of growth we delivered over the past two years. The global economy has slowed significantly. We are part of this economy – whether we want to be or not. The economic and political environment remains volatile.

This was the situation as we started our new business year in 2023. In the first quarter, we achieved sales of 1.7 billion euros, down 16 percent year over year. EBITDA totaled 281 million euros, down 56 percent.

This trend was not unexpected. Signs of a slowdown were already visible in late 2022. Extremely high energy prices and inflation rates are a damper on economic activity

and demand. Many of our customers are currently focused on selling off inventory, often placing new orders at short notice.

In 2023, we expect full-year sales in the range of 7–7.5 billion euros. Our expectations for EBITDA range between 1.1 billion and 1.4 billion euros.

Especially in these uncertain times, you, our shareholders, must certainly have more questions about our future. How will we deal with high energy costs in Europe? What will we do about climate change and how do we want to achieve long-term profitable growth?

With our Strategy 2030, we have set the course for the coming years. It is our compass and comprises five major pillars.

First: We want to continue to grow, but at a faster pace. We have already had two years of strong growth. Our sales are planned to rise to over 10 billion euros by 2030. We want our growth to be mostly organic – with higher volumes and an even better product mix. And it is important to note that 10 billion euros is the minimum figure that we wish to surpass in 2030.

Second: We intend to continue strengthening our profitability. We are aiming for a Group EBITDA margin of more than 20 percent by 2030. In relation to capital employed, our goal is to earn twice our cost of capital.

Third: I already mentioned faster growth, and we will invest more to achieve it. We aim to invest over 400 million euros annually in our chemical divisions, over 80 million euros in our biotechnology business and over 100 million euros in the polysilicon segment. We have the financial strength to do this.

Fourth: We want to become even more sustainable and have raised our sustainability targets accordingly. Our aim is to achieve a 50-percent reduction in our carbon emissions by 2030 – in absolute terms and regardless of volume growth. We want to cut our specific energy consumption by 15 percent by 2030. The same goes for specific water withdrawal. We want to reach net zero by 2045 at the latest.

Fifth: We want to support our customers in their sustainability efforts. For us, sustainability is also a business model. More than two-thirds of our product portfolio is already focused on this topic. By 2030, our product portfolio is to comply fully with defined sustainability standards. In other words, we are not only developing modern products for the world of tomorrow, but also working on holistic solutions, so that these products make a positive contribution to sustainability throughout their entire life cycle. We are thus helping make the economy, and our society, more sustainable and climate-friendly.

When you entered the auditorium, you may have noticed the informative overview of our contribution to sustainability in what we call WACKER City – also presented on our website. This virtual city is an example of how WACKER is involved in the major global issues of the future: from renewable energy, modern construction technology, digitalization and e-mobility through to nutrition, health and quality of life. All these areas provide multiple opportunities for growth that we are systematically focusing on – with innovative, sustainable products. I personally encourage you to visit WACKER City and see for yourself.

Ladies and gentlemen,

We know that there is no alternative to the transformation to net zero. That is why sustainability is an integral part of our strategy. The horrible war of aggression in Ukraine has not only caused unfathomable suffering, but also revealed Europe's – and particularly Germany's – massive dependence on fossil fuels from Russia. This came as no surprise. We were all aware of this dependence, yet now we are experiencing its negative impacts: politically, economically and socially.

Last year, we were able to secure our own energy supply. It took tremendous effort and entailed significantly higher costs. Due to our intelligent procurement strategy, we were able to mitigate the severe spikes in prices. And we have taken efforts to secure our future energy needs: We have already procured 80 percent of the energy we will consume this year.

It is important that Europe cut the Gordian knot now and conscientiously pursue the transformation to net zero. This is the key to sustainably strengthening the resilience of Europe and its industries.

There are two sides to the chemical sector. On the one hand, it makes things possible and drives progress. Take our polysilicon, for example: Without this material, there would be no solar cells, and without solar cells, the energy transition would not be possible. On the other hand, chemicals are also energy-intensive – by their very nature: because, in chemical processes, molecules are broken down and recombined. This requires energy, lots of energy.

For example, our largest chemical plant, located in Burghausen, represents 0.5 percent of German electricity consumption and around 1 percent of the country's total gas consumption. And this is one of the world's most energy-efficient plants. But in the end, we run up against the laws of nature: thermodynamics. There is no way around this. In short: Energy is the lifeblood of the chemical industry. If this lifeblood is not available in sufficient quantities at competitive prices, whole industries and value chains are at risk.

This is why energy prices remain the key issue on which everything else turns. High electricity prices in Europe are currently obstructing the transformation. They are destroying the competitiveness of an industry that is a global leader.

To be sure, energy was never cheap in Europe. That is why we in Germany are so strongly focused on efficiency. However, there are limits. Electricity prices in Germany are three to four times higher than in the USA or China. Such large discrepancies cannot be endured in the long term. Competitive electricity prices in Europe and in Germany are imperative.

Politicians must finally take action and will be judged by whether this country has the right business environment, and that also includes energy at reasonable prices. As decarbonization progresses, energy needs will continue to grow as more and more processes are electrified. For this reason, it is even more important to produce renewable energy in ever greater amounts. Only then can we make ecological,

economic and social gains. Green electricity is not only the cleanest form of energy, it is also the cheapest.

To get to the heart of the issue: We need reasonably priced green energy in large quantities. This will not happen overnight. The government is on the right track with its legislation for accelerating expansion of renewable energy and grid infrastructure. But there is a lot of work to be done. Time is running out, and our industry cannot wait. This is why we have been advocating for years for an industrial electricity price of four cents per kilowatt-hour for Europe and for Germany – as an interim solution until sufficient supplies of green energy are available. This is the rationale behind the alternative term – transformation electricity price.

Dear shareholders, there is no alternative to the transformation to net zero. We all basically know what we have to do. The problem is neither awareness nor technology – it is a question of implementation. Everyone – the government, business and society – must do their homework. We too are already working on this. For us, stronger growth and sustainable operations are not mutually exclusive. We want both: growth and the path to net zero. This will enable us to create sustainable added value – for us, our customers, everyone.

We will successfully pursue this path because we are well-placed to do so: with our high-quality products, our worldwide presence, our financial strength, our operational excellence. There is no alternative to the transformation to net zero. Especially with our outstanding workforce. We will vigorously take advantage of these opportunities.

Our strategy will provide the foundation. It is our compass. This compass shows us the path to our goal: sustainable sales and earnings growth – with high-margin specialty products, a clear focus on sustainability, the expansion of our global production capacity, and more innovation and research.

We would be pleased if you, our shareholders, would continue to accompany us on this path. On behalf of the entire Executive Board, I thank you for the confidence you have placed in us thus far.

I can promise you this: people, markets and molecules – we will continue to pursue this path with both resolution and enthusiasm. We remain the architects of our own success. With spirit, speed and confidence.

Thank you very much.