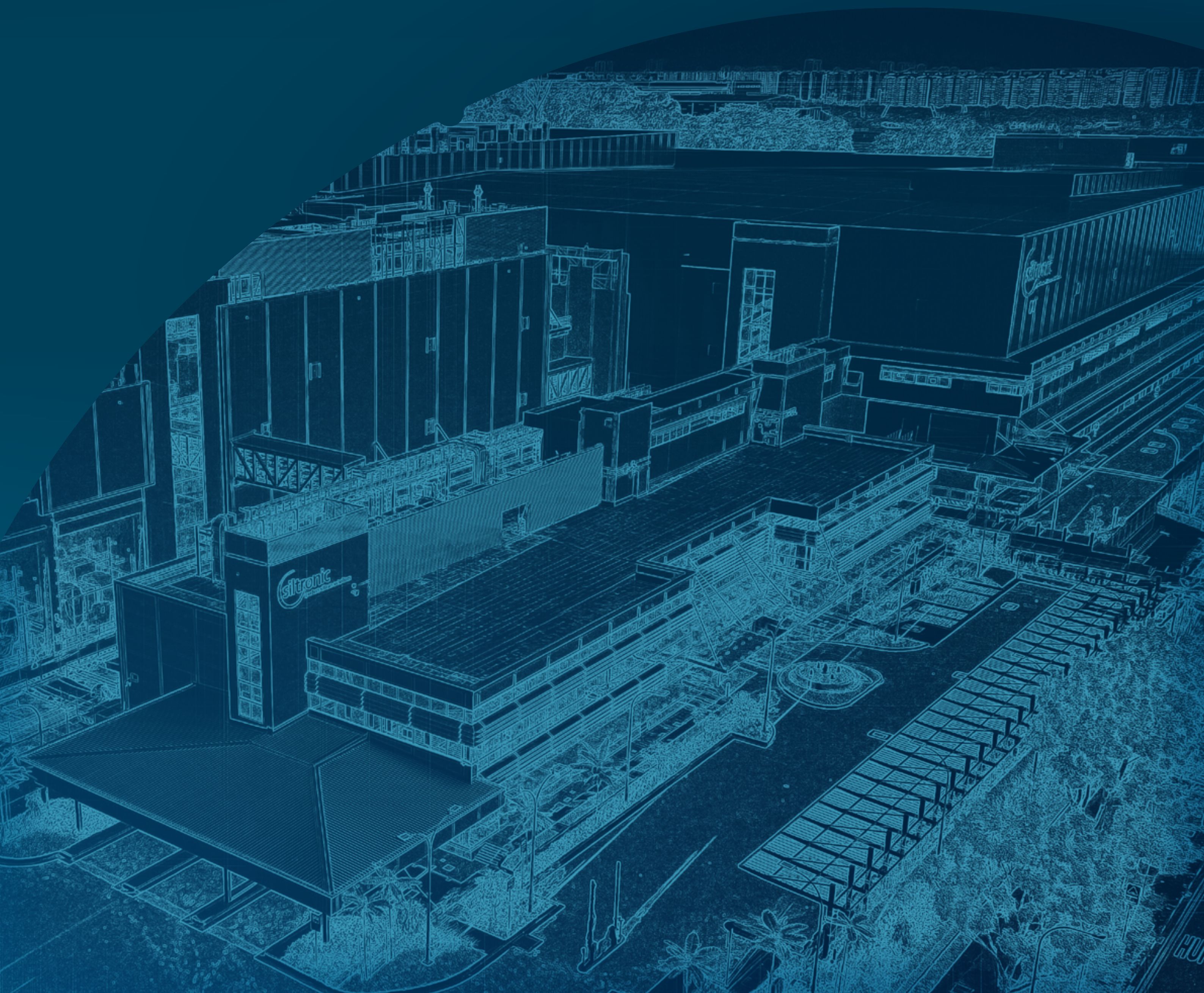
SET TO GROW

Annual Report 2024



Siltronic Group key figures

Statement of profit or loss

In EUR million		**2024**	2023	2022	2021	2020
Sales		1,412.8	1,513.8	1,805.3	1,405.4	1,207.1
Gross profit		275.4	372.2	615.4	441.2	339.5
Gross margin	%	19.5	24.6	34.1	31.4	28.1
EBITDA		363.8	433.9	671.6	466.4	331.9
EBITDA margin	%	25.8	28.7	37.2	33.2	27.5
EBIT		125.2	231.3	495.6	316.9	192.2
EBIT margin	%	8.9	15.3	27.5	22.5	15.9
Financial result		–24.9	–0.5	–8.5	1.5	–2.9
Income taxes		–33.1	–29.5	–52.7	–28.7	–2.5
Result for the period		67.2	201.3	434.4	289.6	186.8
Earnings per share	EUR	2.10	6.15	13.02	8.44	5.36

Capital expenditure and net cash flow

In EUR million	**2024**	2023	2022	2021	2020
Capital expenditure in property, plant and equipment, and intangible assets	523.4	1,315.9	1,073.6	425.6	187.6
Net cash flow	–297.0	–663.5	–395.4	1.7	77.4

Statement of financial position

In EUR million		**Dec. 31, 2024**	Dec. 31, 2023	31.12.2022	31.12.2021	31.12.2020
Total assets		5,084.4	4,504.9	4,050.7	2,455.4	1,919.4
Equity		2,215.2	2,099.7	2,067.1	1,318.8	871.8
Equity ratio	%	43.6	46.6	51.0	53.7	45.4
Net financial debt/ assets		733.5	355.7	–373.6	–572.9	–499.2

Non-financial performance indicators

		2024	2023	2022	2021	2020
Efficiency of the use of silicon (100 percent corresponds to the 2015 base)	%	98	98	99	99	99
CO_2 emissions scope 1 and 2 (market based)	metric ton CO_2 eq	237,051	254,974	273,978	325,970	243,112
Waste recycling ratio	%	67	71	71	72	70
Water usage for production per wafer area (100 percent corresponds to 2015 base)	%	114	101	86	89	100
Occupational accidents (per working days) at work per million working hours	Number	2.3	2.4	3.8	4.5	2.1
Occupational accidents (per working days) with chemicals per year	Number	0	1	6	2	0

Employees

	2024	2023	2022	2021	2020
Headcount at year-end, excluding external personnel	4,357	4,455	4,488	4,117	3,772

CONTENT

Company profile
As one of the leading wafer manufacturers, Siltronic is globally oriented and operates production facilities in Asia, Europe and the US. Silicon wafers are the foundation of the modern semiconductor industry and the basis for chips in all electronic applications – from computers and smartphones to electric cars and wind turbines. The international company is highly customer-oriented and focused on quality, precision, innovation and growth.

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Claudia Schmitt
Chief Financial Officer
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Interview with the Executive Board

Siltronic achieved robust profitability in 2024 despite ongoing weak demand for wafers. In an interview with the Company's Executive Board members – Dr. Michael Heckmeier, Claudia Schmitt, and Klaus Buchwald, who has been serving as the new Chief Operating Officer since June 2024 – they discuss how the Company has managed recent challenges, the measures taken, and why there is medium-term optimism regarding future growth prospects. The interview also focuses on topics such as Artificial Intelligence, investments, and financing, as well as Siltronic's clear commitment to sustainability.

Dr. Michael Heckmeier (MH): Despite the current demand weakness for wafers, Siltronic continues to show robust profitability with an EBITDA margin of 26 percent. What are the main reasons for the ongoing demand weakness, and how have you managed to maintain a solid EBITDA margin level?

MH: During the pandemic years, our customers and the entire semiconductor value chain experienced an enormous surge in demand. In retrospect, we now know that part of this demand was driven by stockpiling, which was mainly triggered by supply chain issues with certain products. The reduction of these inventories has now been ongoing for more than two years, which is particularly long compared to previous cycles. On the positive side, we have a higher proportion of long-term agreements compared to previous cycles, which limits the impact on our sales and profitability. Thus, despite volume shifts, we have only seen slight price declines this year. Additionally, we have acted consistently internally in this environment. For example, we implemented a qualified hiring freeze in all areas and slowed down the ramp-up of our new fab in Singapore. The decision to discontinue the production of wafers with a diameter of up to 150 mm in mid-2025 was not easy, but it was unavoidable given the negative trend. At the same time, the challenge is to prepare the Company for the next growth phase and continue to invest in research and development – because that is our future. Our strategic focus remains unchanged. Siltronic will continue to be a technology leader in the industry and additionally focus on wafers for power semiconductors.

What gives you confidence that demand will recover soon?

MH: Demand for wafers is highly dependent on the development of end markets, albeit with a certain time lag. While end markets stagnated in 2023, they have shown significant growth of about 6 percent this year. This is partly due to the sharply increased demand for servers, driven by applications of Artificial Intelligence (AI). Demand for wafers in smartphones and PCs was also higher this year than last year, as well as in the automotive sector. The increase here was primarily due to the growing digitalization through assistance systems and infotainment, as well as electromobility. We expect the growth of end markets to continue in 2025. The faster the end markets grow, the quicker inventories will be reduced. However, due to the low visibility of only up to 6 months, it remains difficult for us as a wafer manufacturer to estimate when this demand weakness will be overcome.

The ongoing demand weakness has also significantly impacted your stock price – a decline of 47 percent. Are you satisfied with the valuation of Siltronic AG?

MH: Not at all. The stock price of Siltronic has come under significant pressure, especially in the second half of the year, and we are definitely not satisfied with that. The current momentum, characterized by still elevated inventories, is heavily weighing on the stock price. At the end of the year, our market capitalization was EUR 1.4 billion – considering

that we have invested around EUR 2 billion in our new state-of-the-art fab in Singapore over the past three years, and this is just one of a total of six Siltronic fabs. But you know, in a cyclical yet steadily growing industry, we are used to dealing with volatility. This applies to fab utilization as well as the stock price. We are confident that our strategy of profitable growth will pay off.

What positive signals do you see for the semiconductor industry?
MH: In this financial year, some companies in the semiconductor industry have significantly improved their results and even set new company records. An outstanding example is Nvidia. I am often asked why Siltronic is not doing as well. The reason is that some companies benefit more from AI applications and can therefore significantly increase the prices of their products. For us as a wafer manufacturer, however, the main factor is the wafer area sold, which is currently still relatively low in the AI environment. The AI trend will undoubtedly be one of the megatrends, alongside electromobility and digitalization, that will significantly increase the demand for wafers.

“We look to the future with optimism and are firmly convinced of our growth prospects. Diverse end applications and global megatrends such as Artificial Intelligence will contribute to this growth.”
Dr. Michael Heckmeier, CEO

Thank you, Mr. Heckmeier. Mr. Buchwald, over to you. You have been the Chief Operating Officer (COO) of Siltronic since June. What has been your personal highlight after more than 6 months with the Company?
Klaus Buchwald (KB): My personal highlight was joining Siltronic as COO in June 2024. I am grateful and happy to have found such a great team here. Whether in Munich, Freiberg, Portland, Singapore, or back in Burghausen – I was warmly welcomed everywhere and was impressed by the high level of expertise of the employees. Since then, I have been fortunate to experience some of the highlights of this year firsthand. Just ten days after joining Siltronic, I attended the grand opening of the new fab in Singapore. It was an honor to stand alongside Singapore’s Deputy Prime Minister Heng Swee Keat and celebrate this significant milestone in Siltronic’s history.

“With our flagship project, the new fab in Singapore, Siltronic is well-prepared to participate in future growth.”
Klaus Buchwald, COO

Back to the topic of Artificial Intelligence, in which you have already gained a lot of experience. Where do you see the greatest potential for Siltronic in the use of AI?
KB: As a wafer manufacturer, we benefit in several ways from the growing demand for AI solutions. Firstly, servers used for AI applications contain significantly more wafer area than conventional servers – up to eight times more at peak. Additionally, we are seeing initial growth drivers for AI in computers and smartphones.

Furthermore, Siltronic also uses internal AI solutions wherever possible and sensible, and we develop these ourselves. From the crystal pulling process to epitaxy, we rely on a wide range of AI applications to optimize our complex manufacturing processes, improve process monitoring, and detect defects. As you can see, for us, AI is a clear internal efficiency driver and an external growth engine.

And what is the status of the new fab in Singapore? Is it already running?
KB: We are extremely proud of our flagship project. We managed to stay within the budget and meet the schedule, so we were able to start operations as planned at the beginning of 2024. Currently, we are focusing on customer qualifications, which are crucial to being able to supply our customers from the new fab. We have already successfully completed the first, easier qualifications. We are currently working on the more complex qualifications and expect to complete them during 2025. In the coming years, we will continue to invest in equipment and gradually expand capacities in line with expected market growth. This also means that due to the still subdued demand, we will again expand the new fab at a reduced pace in 2025.

Thank you, Mr. Buchwald. Ms. Schmitt, as CFO, you are responsible for financing this new fab. How do you see the current financial situation of Siltronic, and how do you plan to further finance the fab until it is fully ramped-up?

Claudia Schmitt (CS): The financing of our new fab is based on three strong pillars, which we feel put us in a good position: our own funds from past and future operational cash flows, customer prepayments with whom we have long-term agreements, and external financing. We always follow a conservative financing approach to ensure an adequate liquidity reserve. Since we will start repaying loans in 2025 and the refund of prepayments will also increase, we recently completed a refinancing of around EUR 370 million in the form of a promissory note loan. The transaction attracted a great deal of interest – for me, a sign of confidence from the promissory note investors in our company. Additionally, we still have an unused portion of our syndicated loan, which we can draw on if needed. Therefore, I see Siltronic's financial situation as very solid. Whether and when further refinancing will be needed depends on when the expected demand recovery occurs and how quickly we ramp up our new fab in Singapore. Let me emphasize once again: We are convinced of the growth drivers in our industry and thus of the clear growth prospects for Siltronic.

Can you give us an update on the progress of your sustainability goals? Which projects have already been implemented and what is next on your agenda?

CS: With our ambitious climate goals, we plan to reduce our direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions by 42 percent by 2030 and to zero by 2045, compared to the base year 2021. This year, we have already come closer to our goal. Overall, we have been able to reduce absolute CO_2 emissions (Scope 1 and 2) by 28 percent compared to the base year 2021, despite a significant increase in our absolute energy consumption due to the commissioning of our new fab in Singapore. This is partly due to a large Solar Power Purchase Agreement in Germany and our new photovoltaic plant at our site in Portland, Oregon. We are currently considering installing a solar plant at our site in Singapore, and of course, we continue to work on increasing energy efficiency and the share of renewable energy in our electricity purchases.

Our successes are also recognized externally. Three of our production sites – Freiberg, Portland, and Singapore – were awarded the Platinum Award by the Responsible Business Alliance for the first time, and in December, we received a top award from TSMC, one of our top 3 customers, for our collaboration in reducing CO_2.

Sustainability is part of Siltronic's strategic agenda and will continue to be actively pursued with ambitious goals in the future.

„This year, we have once again demonstrated our resilience and are well-positioned for the future thanks to our solid financing approach."

Claudia Schmitt, CFO

Thank you, Ms. Schmitt. Mr. Heckmeier, what development do you expect for Siltronic in 2025, and what are the mid-term goals?

MH: For the fiscal year 2025, we expect end market growth again, driven in part by Artificial Intelligence. However, due to the still elevated inventories in the value chain downstream from us, this end market growth does not yet translate into additional wafer demand. Assuming unchanged exchange rate relations, sales are expected to be in the region of the previous year. According to current estimates, the first six months of 2025 will be the most affected, as customer volume shifts from long-term agreements will also partly move from the first to the second half of 2025. Overall, we do not expect sales to grow in 2025 compared to the previous year. To maintain our profitability at a robust level in the third year of this cyclical correction, we will further intensify our cost focus. We expect to achieve an EBITDA margin of 22 to 27 percent.

In the mid term, we expect significant growth. Our goal is to increase sales from EUR 1.4 billion in 2024 to over EUR 2.2 billion. At the same time, we aim to increase profitability at a higher rate, with the EBITDA margin improving from 26 percent in 2024 to a value in the high thirties. However, since 2025 is also marked by subdued growth prospects, we currently expect to achieve our mid-term ambition only after 2028.

Ms. Schmitt, Dr. Heckmeier, Mr. Buchwald, thank you very much for the conversation!

Supervisory Board report

Dear shareholders,

We are experiencing eventful times and a challenging macroeconomic and geopolitical environment. It is therefore particularly important that we, as a Company, have clear goals and priorities and do not allow ourselves to be distracted by short-term fluctuations. At the same time, however, we must respond prudently and flexibly to changes. Against this background, the Supervisory Board has placed a stronger focus on Siltronic's strategic positioning in the areas of Leading Edge and Power, as well as being the only Western wafer manufacturer.

In 2024, Siltronic's business environment was characterized by continued subdued demand from the semiconductor industry. Continued high inventory levels among chip manufacturers and the downstream supply chain prevented a visible recovery from the current cyclical downturn in the semiconductor industry. Despite the challenges of its business environment, Siltronic was able to achieve solid financial results and confirm its April 2024 guidance for the full year.

One highlight of the year was the inauguration of the new wafer factory in Singapore in June 2024 in the presence of high-ranking representatives of the Singaporean government, customers, and suppliers. The wafer factory is one of the most modern in the world and a milestone in Siltronic's history. It enables us to efficiently support future market growth and strengthen our position as one of the world's leading wafer manufacturers.

The decision to cease the wafer production for polished and epitaxial wafers with “Small Diameters” (SD) at the Burghausen site was economically consistent and historically significant. Siltronic began producing semiconductors with SD wafers in 1958. Gradually phasing out this production area was therefore a difficult but necessary measure to use existing resources more efficiently and to concentrate on future-oriented technologies.

Siltronic's employees deserve sincere appreciation for their extraordinary commitment in 2024. Their productive engagement has contributed significantly to the good business performance despite the difficult environment.

The Supervisory Board has endorsed the Executive Board's recommendation to distribute a dividend of EUR 0.20 per dividend-bearing no-par value share for the financial year 2024.

Continuous dialogue with the Executive Board

As in the previous years, the Supervisory Board performed its duties throughout the financial year 2024 in accordance with the law, the Articles of Association and the rules of procedure with the utmost care. In trustful cooperation with the Executive Board, all decisions were always made in the best interests of the Company. The Supervisory Board regularly advised the Executive Board, monitored its activities carefully and satisfied itself that the Company was managed in a lawful, expedient and correct manner.

This was primarily based on the reports of the Executive Board at the Supervisory Board and committee meetings on all issues significant to the Company. The Executive Board informed the Supervisory Board and its committees comprehensively and in a timely manner about all matters relevant to the Company, in particular business development and the economic situation, financial and investment planning, strategic development and advancement, the risk situation and risk management as well as the activities of the internal audit department and compliance. The expansion of the Executive Board and its composition were further important topics. Siltronic is thus well positioned for the future.

The Supervisory Board and the responsible committees were involved in all important decisions at an early stage and always had the opportunity to critically examine the reports and proposed resolutions of the Executive Board. Deviations in the Company’s course of business from the plans and targets were explained in detail.

Even outside the regular meetings, both I, as Chairman of the Supervisory Board, and the chairpersons of the respective committees were in close contact with the Executive Board and were continuously informed about current developments and significant business transactions.

Dr. Tobias Ohler
Chairman of the Supervisory Board of Siltronic AG

Key activities of the Supervisory Board plenum

A particular focus was the consultation on the decision and its subsequent implementation of the termination of wafer production for polished and epitaxial wafers with “Small Diameters” (SD) at the Burghausen site. The Supervisory Board closely accompanied the process until the decision was made, evaluating the advantages and disadvantages of a gradual closure and its impact on the Company's further strategy. The Supervisory Board was also regularly and comprehensively informed about the development of the closure concept and its execution.

An additional key topic in the past financial year was the further development and implementation of the corporate strategy. Against the background of the ongoing downturn in the semiconductor industry, the plenum discussed in detail the current developments and objectives with regard to the Company's orientation in the individual market segments and Company divisions. Financial aspects, planned advancements to ensure future viability and competitiveness as well as long-term strategic goals were the material basis for discussion.

In addition, the plenum discussed sustainability issues relevant to Siltronic and the implementation of the CSRD guideline.

The expansion of Siltronic AG's Executive Board to include a Chief Operating Officer (COO) and the specific appointment to this position was the focus of the Supervisory Board's personnel discussions. Effective June 1, 2024, Klaus Buchwald was appointed to Siltronic AG's Executive Board.

In the reporting year, five plenary meetings were held. Four regular plenary meetings – two each in the first and second half of the year – as well as one extraordinary plenary meeting in January. Another circular resolution was adopted in August 2024. Except for the extraordinary meeting in January, all meetings of the Supervisory Board and its committees were held in person. A tabular overview of individual participation in the plenary and committee meetings can be found in the Declaration on Corporate Governance on page 54. In connection with the ordinary Supervisory Board meetings, separate preliminary meetings of both the shareholder and employee representatives were held. The Supervisory Board regularly meets without the Executive Board, in particular to discuss matters relating to the remuneration of the Executive Board and succession planning. Since 2022, the Audit Committee has also regularly met without the Executive Board, in line with the recommendation in section D.10 of the German Corporate Governance Code.

In an extraordinary meeting on January 22, 2024, which was held as a video conference, the plenum took up considerations regarding an expansion of the Executive Board that had already been discussed. It decided to expand the Executive Board of Siltronic AG by adding a member primarily responsible for operational business. On the recommendation of the Executive Committee, Mr. Klaus Buchwald was appointed as a member of the Executive Board and as Chief Operating Officer (COO) with effect from August 1, 2024. Public communication was temporarily withheld due to the possibility of Mr. Buchwald being available earlier. In view of the expansion of the Executive Board, the plenum also decided to adjust the diversity concept, see page 56.

At the meeting of the Supervisory Board to approve the financial statements held on March 8, 2024, we, including the auditor, who was present at the meeting, discussed in detail the annual financial statements of Siltronic AG and the consolidated financial statements as of December 31, 2023 as well as the combined management report and approved them.

The Supervisory Board also determined the variable compensation of the Executive Board for the financial year 2023 based on the recommendation of the Executive Committee and based on the determined target achievement. An internal assessment, which included a peer group comparison, confirmed the appropriateness of the compensation of the Executive Board. After the preparation and recommendation by the Executive Committee, the Supervisory Board resolved on the individual total target compensation and maximum compensation for each Executive Board member as well as the performance criteria for the variable compensation for the financial year 2024.

The plenum adopted the Supervisory Board's report to the Annual General Meeting and discussed the agenda for the Annual General Meeting on May 13, 2024, which was held in presence. The Executive Board reported on the course of business in the financial year 2023 and the start of the financial year 2024. It also explained its assessment of the Group's risk situation.

The Supervisory Board further addressed the developments in the Small Diameters (SD) business unit and the site consolidation concept for Burghausen. The plenum decided to support the decision to close the SD unit at the Burghausen site.

Within the internal control procedure for Related Party Transactions adopted by the Supervisory Board, the Executive Board reported on the business transactions with Wacker Chemie AG. As a precautionary measure, Supervisory Board Chairman Dr. Tobias Ohler, who is also a member of the Wacker Chemie AG Executive Board, and Sieglinde Feist, who holds a management position at Wacker Chemie AG, did not take part in the resolution on the implementation of the control procedure in order to avoid even the appearance of a conflict of interest.

At its meeting on April 30, 2024, the Supervisory Board adjusted the appointment of Mr. Buchwald and his individual target total remuneration for the financial year 2024 to June 1, 2024. Among other things, the plenum dealt with the course of business and market development. The current status of investment projects, including their budgeting, was discussed. Another focus was on current developments in the area of operations. The Supervisory Board discussed and approved the issue of a further promissory bill loan for general corporate financing and the financing of strategic growth investments. Finally, the plenum was informed about the status of the SD closure.

At the Supervisory Board meeting on July 23, 2024, the Supervisory Board discussed the Executive Board's report on the course of business and forecasts, the status of investment projects and the closure of the SD unit. The Executive Board also presented the process for developing the corporate strategy, covering all strategic areas. This was followed by an update on the status of the issuance of the promissory bill loan. After a discussion about the independence of Dr. Gerlinger, the Supervisory Board decided that this was ensured despite his more than twelve years of membership on the Supervisory Board, and adopted the Declaration of Conformity according to the German Corporate Governance Code. Finally, it was discussed whether the next Annual General Meeting should be held as an in-person or virtual event.

In August, the Supervisory Board passed a circular resolution to adjust the maximum amount of the promissory bill loan already approved on April 30, 2024.

At its meeting on November 27, 2024, the Supervisory Board in addition to the Executive Board's report on business performance and the status of investment projects and the SD closure, dealt with the successful placement of the promissory bill note. The work of the Nomination Committee on the replacement of Dr. Gerlinger as a member of the Supervisory Board was reported. The Supervisory Board discussed the planning of Siltronic Group for the financial year 2025 and the multi-year planning. A key focus of the discussions was the 2025 budget presented by the Executive Board, including financial and investment planning, particularly in light of the ongoing downturn and the financial obligations. Both were approved at the meeting. Another focus was the discussion of the materiality analysis according to CSRD. The methodology and results of the process were presented by the Executive Board and discussed. Finally, the Supervisory Board discussed the effectiveness of its own work and that of its committees. Opinions were collected anonymously and processed, and the findings were discussed in the plenum. It was found that the optimization opportunities identified in the last evaluation had been largely implemented. No significant deficiencies were identified. Further optimization opportunities are to be implemented in the future. Considering the new Supervisory Board members, the Supervisory Board also approved an updated qualification matrix.

Supervisory Board committees

In order to perform its duties efficiently, the Supervisory Board has set up four permanent committees: an Executive Committee, an Audit Committee, a Nomination Committee and the Conciliation Committee, the latter of which is mandatory pursuant to Section 27 (3) of the German Co-Determination Act. Insofar as these committees met, the chairpersons of the committees reported regularly and comprehensively to the Supervisory Board on the committee work.

The **Executive Committee** met once in the reporting year, and the members met for several informal consultations. It dealt with the compensation of the Executive Board Members and prepared the resolutions of the Supervisory Board plenum regarding the determination of targets for the variable compensation, the particular total target compensation and maximum compensation, the determination and review of the appropriateness of the Executive Board compensation and the approval of the compensation report. Its consultations also focused mainly on personnel matters and Executive Board succession, in particular the appointment of the Chief Operating Officer (COO).

The **Audit Committee** held four meetings in the financial year 2024. Its activities focused on monitoring the accounting process, the materiality analysis carried out in accordance with CSRD and financial and investment planning. The Audit Committee discussed the annual financial statements of Siltronic AG and the consolidated financial statements as well as the combined management reports for the financial year 2023 in the presence of the auditor. It also discussed the quarterly reports and, in the presence of the auditor, the half-year report as well as the auditor's review thereof for the current financial year. The Audit Committee recommended to the Supervisory Board that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be proposed to the 2024 Annual General Meeting for election as auditor. It issued the audit engagement letter to the auditor for the financial year 2024, defined the focal points of the audit and determined the auditor's fee. It also granted the separate mandate for the audit of the ESG-report for the financial year with limited assurance.

Since Siltronic AG has to change the auditor for the financial years from 2025 onwards in accordance with the EU Audit Regulation (Regulation (EU) No. 537/2014) and to allow sufficient time for the transition of the audit mandate, the Audit Committee, following a selection procedure conducted in accordance with Article 16 of the EU Audit Regulation, recommended to the Supervisory Board to propose PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, to the Annual General Meeting 2024 as the auditor for the 2025 financial year.

The Audit Committee discussed the assessment of the audit risk, the audit strategy, and the audit planning with the auditor. It also dealt with the handling of non-audit services and the evaluation of the quality of the audit. The committee addressed the Company's risk management system, the effectiveness and findings of the internal audit, as well as the compliance management system. It received continuous reports on compliance issues.

In addition to the meetings of the Audit Committee, regular discussions were held between the Chairwoman of the Audit Committee and the auditors, also without the participation of the Executive Board.

The **Nomination Committee** dealt with the selection of suitable candidates in preparation for the Supervisory Board's proposal for the election of a shareholder representative to the Supervisory Board by the 2025 Annual General Meeting to replace the departing Supervisory Board member Dr. Gerlinger. Candidates for election to the Supervisory Board were identified and personal interviews were held on the basis of a specific profile of requirements for the candidate, which took into account the requirements of the German Stock Corporation Act, the German Corporate Governance Code, the rules of procedure for the Supervisory Board, the Supervisory Board's objectives for its composition, the competence profile and the diversity concept for the Supervisory Board. In addition to the required knowledge, skills and professional experience, particular attention was paid to industrial and technological expertise, independence, potential conflicts of interest, international experience, availability and diversity.

The **Conciliation Committee** was not convened in the 2024 financial year.

Education and training measures

The members of the Supervisory Board independently take responsibility for the training and continuing education required for their duties, and they receive appropriate support from the Company as required. An onboarding session was held for the new Supervisory Board member in connection with his appointment. The Company also organized a workshop for the full Supervisory Board on the topic of sustainability with a particular focus on the relationship to Siltronic's activities and its climate targets. Relevant legislative updates affecting Siltronic and its corporate bodies were discussed at the regular Supervisory Board meetings.

Individualized disclosure of attendance of Supervisory Board members in 2024

	Supervisory Board plenum		Executive Committee		Audit Committee	
Supervisory Board member	Number	in %	Number	in %	Number	in %
Dr. Tobias Ohler (Chairman)	5 of 5	100	1 of 1	100	4 of 4	100
Daniela Berer (Deputy Chairwoman)	5 of 5	100	1 of 1	100		
Dr. Jos Benschop	5 of 5	100				
Mandy Breyer	5 of 5	100				
Klaus Estermaier	5 of 5	100				
Sieglinde Feist	4 of 5	80				
Dr. Hermann Gerlinger	5 of 5	100				
Michael Hankel	5 of 5	100	1 of 1	100		
Markus Hautmann (until 31.08.2024)	1 of 4	25				
Lina Ohltmann	4 of 5	80				
Mariella Röhm-Kottmann	5 of 5	100	1 of 1	100	4 of 4	100
Volker Stapfer	5 of 5	100			4 of 4	100
Günter Zellner (starting 02.09.2024)	1 of 1	100				

Further disclosures on offices held

Name	Occupation	Membership in other supervisory boards and other comparable domestic and foreign supervisory bodies of business enterprises (as of December 31, 2024)
Dr. Tobias Ohler Chairman of the Supervisory Board	Member of the Executive Board of Wacker Chemie AG, Munich, Germany	Member of the Supervisory Board – Wacker Chemie VVaG Pension Fund
Dr. Jos Benschop	Executive Vice President Technology, ASML Netherlands BV	Member of the Supervisory Board – Cymer Light Source Technology Chairman of the international Advisory council NanoLabNL
Daniela Berer [1)]	Deputy Chairwoman of the Works Council of Siltronic AG, Burghausen and Munich site	
Mandy Breyer [1)]	Deputy Chairwoman of the Works Council of Siltronic AG, Freiberg site	
Klaus-Peter Estermaier [1)] Representative of Senior Executives	Head of Supply Chain Center & Strategic Planning, Siltronic AG Chairman of the Joint Speaker Committee of the Senior Executives of Siltronic AG	
Sieglinde Feist	Head of the central unit Sales & Distribution, Wacker Chemie AG, Munich	Chairperson of the Board of Directors (non-executive) – Wacker Chemicals Ltd., United Kingdom – Wacker-Kemi AB, Sweden Member of the Board of Directors (non-executive) – Wacker Chemie Italia S.r.l., Italy – Wacker Chimie S.A.S., France – Wacker Quimica Ibérica, S.A., Spain – Wacker Chemicals (South Asia) Pte Limited, Singapore – Wacker Chemicals Korea Inc., South Korea (all Wacker Chemie Group mandates)
Dr. Hermann Gerlinger	Managing Partner of the GeC GmbH (one-person company)	Member of the Board of Directors – VAT Group AG, Switzerland Member of the Shareholder Committee – LR Pure Systems GmbH, Ditzingen-Heimerdingen, Germany
Michael Hankel	Chairman of the Executive Board of M+U Hankel Stiftung (non-profit foundation)	
Markus Hautmann [1)]*	District Chairman of the IGBCE, Altötting	Member of the Supervisory Board – Wacker Chemie AG, Munich – SMP Deutschland GmbH, Bötzingen
Lina Ohltmann [1)]	Secretary IGBCE, Union Pay Policies Division	
Mariella Röhm-Kottmann	Chief Financial Officer, Sunlight Energy Storage Systems Industrial and Commercial Societe Anonyme	Member of the Supervisory Board and Chairwoman of the Audit Committee of Zalando SE
Volker Stapfer [1)]	Chairman of the Works Council Burghausen / Munich	
Günter Zellner [1)]°	District Chairman of the IGBCE, Altötting	Member of the Supervisory Board – Wacker Chemie AG, Munich

[1)] Employee representative
* Resigned as of August 31, 2024
° Member as of September 2, 2024

Audit of annual and consolidated financial statements

The auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements of Siltronic AG for the financial year 2024, the consolidated financial statements and the combined management report on the individual and consolidated financial statements (balance sheet date December 31, 2024) prepared by the Executive Board and issued an unqualified audit opinion thereon. Signing auditors are Beate Schäfer and Matthias Koeplin as auditor responsible for the audit since the financial year 2022. The external rotation period for auditors defined as a maximum of ten years in compliance with the European Auditing Regulation (EU Regulation 537/2014) started in 2015, the year in which Siltronic AG was listed on the stock exchange.

The annual financial statements of Siltronic AG and the combined management report for the Siltronic Group were prepared in accordance with German statutory accounting requirements. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB).

The Executive Board’s proposal for the use of unappropriated profit, the various financial statements, the combined management report and the auditor's reports were made available to all members of the Supervisory Board in a timely manner and were first discussed and examined in detail as a draft version in the Audit Committee meeting on February 24, 2025. The final version was subsequently discussed and examined in great detail at the Supervisory Board’s meeting to approve the financial statements on March 5, 2025. The auditor was present at both meetings. The Audit Committee dealt in particular with the Key Audit Matters described in the audit opinion, including the audit procedures performed. The auditor reported on the scope, the priorities and main results of their audit and in particular addressed the Key Audit Matters and the audit procedures applied. The auditor was available to the Audit Committee and the Supervisory Board plenum for questions and additional information. The auditor also examined the early warning system for risks in accordance with Section 91 of the German Stock Corporation Act (AktG) and found that the early warning system for risks meets the legal requirements. No risks were identified that could jeopardize the going concern status of the Company.

The Supervisory Board concurs with the results of the audit. Based on the final results of the review by the Audit Committee and our own examination, there are no objections to the annual financial statements of Siltronic AG, the consolidated financial statements, the combined management report including the non-financial information integrated in the combined management report and the auditor's reports. We therefore approve the annual financial statements of Siltronic AG and the consolidated financial statements for the year ending December 31, 2024, as prepared by the Executive Board. The annual financial statements of Siltronic AG are thus adopted. The Executive Board proposes to pay a dividend of EUR 0.20 per dividend-bearing no-par value share and to carry forward the unappropriated profit. The Supervisory Board concurs with this proposal.

In addition, the compensation report was prepared jointly by the Executive Board and the Supervisory Board and approved by both bodies on March 5, 2025.

Last year's Annual General Meeting on May 13, 2024 had already appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, as the auditor of the annual financial statements and the auditor for the audit review of interim financial reports for the financial year 2025. In this context, no auditor was appointed for the ESG report. At the Supervisory Board meeting on March 5, 2025, the Supervisory Board adopted the proposed resolution for the 2025 Annual General Meeting, taking into account the recommendation of the Audit Committee on the precautionary election of the auditor for the ESG report. This was based on the Audit Committee's declaration that its recommendation was free from undue influence by third parties and that no clause restricting the selection options within the meaning of Article 16 (6) of the European Auditing Regulation had been imposed on it.

Summarized non-financial statement/ESG report

In preparation for the implementation of the Corporate Sustainability Reporting Directive (CSRD), Siltronic AG has, as in the previous year, integrated the combined non-financial statement (ESG report) into the combined (Group) management report. At its meeting on October 24, 2024, the Audit Committee also commissioned the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, to perform the limited assurance engagement of the ESG report. KPMG AG Wirtschaftsprüfungsgesellschaft issued an unqualified audit opinion. The ESG report and the audit opinion of KPMG AG Wirtschaftsprüfungsgesellschaft were submitted to the members of the Supervisory Board in a timely manner. The Audit Committee at its meeting on February 24, 2025 and the Supervisory Board at its meeting on March 5, 2025 discussed, reviewed and approved the ESG report in detail. There were no indications of any objections to the ESG report or the assessment of the audit results by KPMG AG Wirtschaftsprüfungsgesellschaft.

Changes to the Executive Board and Supervisory Board

With effect from June 1, 2024, the Supervisory Board appointed Mr. Klaus Buchwald as a member of the Executive Board.

Effective August 31, 2024, Mr. Hautmann stepped down as a member of the Supervisory Board representing the employee representatives. As his replacement, Mr. Zellner became a member of the Supervisory Board by court order with effect from September 2, 2024.

The Supervisory Board would like to thank all employees of Siltronic AG and all Group companies for their active commitment.

Munich, March 5, 2025

Dr. Tobias Ohler
Chairman of the Supervisory Board of Siltronic AG

Siltronic on the stock exchange

2024: A Mixed Year for the Stock Markets

The international stock markets continued their positive trend in 2024, recording impressive gains once again. Despite ongoing geopolitical tensions, including conflicts in the Ukraine and the Middle East, as well as the strained situation in the Taiwan conflict, the markets remained robust. Economic relations between the US and China were also still burdened by trade disputes.

Throughout the year, falling inflation rates and increasingly loose monetary policies in many major economies provided a boost. Central banks, including the European Central Bank (ECB) and the Federal Reserve, signaled a clear shift in policy for the first time in years with gradual interest rate cuts, which supported the markets. Energy prices remained moderate, with the price of crude oil hovering around USD 80 per barrel in 2024.

In Germany, the average inflation rate for 2024 was 2.2 percent, continuing the trend of falling inflation rates. Particularly noteworthy was the significant easing of energy prices, which were 1.7 percent below the previous year's level in December 2024. Food prices rose by 2.0 percent over the same period. Core inflation, which excludes food and energy, was 3.1 percent in December 2024.

The positive development of the index was largely driven by some large-cap stocks, while mid-cap and small-cap stocks developed in the opposite direction. The DAX achieved an impressive annual gain of 18.9 percent, reaching new all-time highs multiple times. In contrast, the MDAX could not keep up and recorded a loss of 5.7 percent last year. The TecDAX, on the other hand, posted a slight gain of 2.4 percent. Although the optimistic outlook for an economic recovery supported the stock markets overall, the leading companies in the DAX particularly benefited from the positive market development.

Siltronic Share: A Year of Fluctuations

The Siltronic share opened the 2024 financial year at EUR 88.45 and reached its annual high of EUR 92.75 on January 8. The weaker demand from the semiconductor industry, due to increased inventory levels along the value chain, continued to impact the business development.

On February 12, 2024, the Executive Board released an ad-hoc announcement with the guidance for the 2024 financial year. The Company was particularly affected by persistently high inventory levels at customers, leading to shifts in delivery volumes. This issue worsened as the year progressed, as highlighted in another ad-hoc release on April 26. Overall, the entire 2024 financial year was impacted by the high inventory levels. Additionally, it became clear that the demand visibility development remained limited.

By the end of the first half of the year, the share price had fallen to EUR 72.40, a decline of 18 percent from the beginning of the year. The main cause was the continued weak demand in the wafer market and high inventory levels in the chip industry. This trend continued in the second half of the year. At the end of the year, the share closed at EUR 46.50, representing an annual loss of 47.4 percent. In comparison, the MDAX recorded an annual loss of 5.7 percent, while the TecDAX posted a slight gain of 2.4 percent, and the international benchmark Philadelphia Semiconductor Index even increased by 19.3 percent.

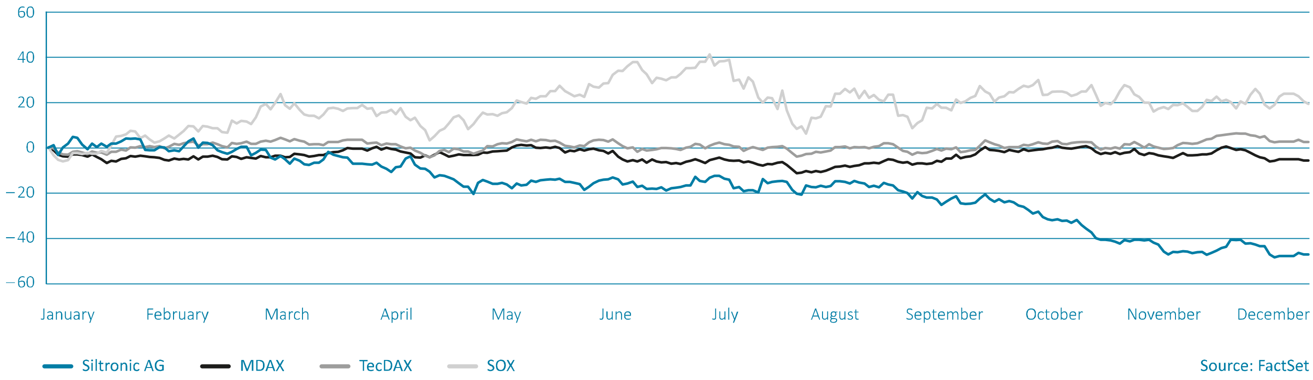
The average daily trading volume of Siltronic shares on the Xetra Index in 2024 was 96,785 shares. Our market capitalization as of December 31, 2024, based on the Xetra closing price, was approximately EUR 1.4 billion.

In the MDAX ranking, we were in 100th place at the end of 2024, and in the TecDAX, we were in 21st place. The ranking is based on the market capitalization of freely tradable shares, i.e., the free float market capitalization.

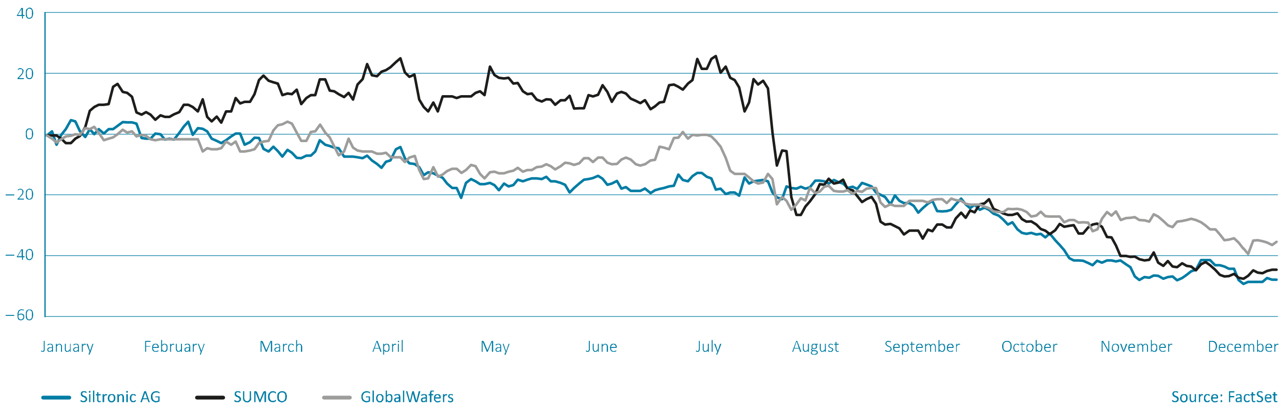
Dividend proposal of EUR 0.20 per share

The dividend proposal for the 2024 financial year is EUR 0.20 per share, representing a payout ratio of just under 10 percent of the consolidated profit attributable to Siltronic shareholders.

Performance of Siltronic shares vs. indices 2024
in %



Performance of Siltronic shares vs. competitors 2024
in %



Shareholder structure

As of December 31, 2024, Wacker Chemie AG was the largest shareholder of Siltronic AG, holding 30.83 percent of the voting rights.

The parent company of GlobalWafers, Sino-American Silicon Products, acquired 13.67 percent as part of the tender offer. 55.5 percent remained in free float. On January 16, 2024, GlobalWafers GmbH announced an offer of exchange units consisting of unsecured bonds (EUR 350 million, due 2029) and 3,500 options. The options can be converted into Siltronic shares at a conversion price of EUR 111.34, which are held as collateral. The 3,500 options correspond to approximately 10.3 percent of Siltronic AG's share capital.

Within the free float, the Company had the following information on notifiable shareholdings (as of December 31, 2024):

HAL Trust, Hamilton, Bermuda, directly holds 5.30 percent of the voting rights.

The Goldman Sachs Group, Inc., Wilmington, USA, holds 4.72 percent of the voting rights, of which 0.21 percent are held directly and 4.51 percent through instruments.

UBS Group AG, Zurich, Switzerland, holds 4.18 percent of the voting rights, of which 2.83 percent are held directly and 1.35 percent through instruments.

Bank of America Corporation, Wilmington, USA, holds 4.07 percent of the voting rights, of which 2.09 percent are held directly and 1.98 percent through instruments.

BlackRock, Inc., Wilmington, USA, holds 3.85 percent of the voting rights, of which 2.47 percent are held directly and 1.38 percent through instruments.

Magnetar Capital, Evanston, USA, holds 3.84 percent of the voting rights, of which 2.97 percent are held directly and 0.87 percent through instruments.

Morgan Stanley, Wilmington, USA, holds 3.64 percent of the voting rights, of which 2.23 percent are held directly and 1.42 percent through instruments.

T. Rowe Price Group, Inc., Baltimore, Maryland, USA, holds 3.51 percent of the voting rights, of which 3.10 percent are held directly and 0.41 percent through instruments.

JP Morgan Chase & Co, Wilmington, USA, holds 3.26 percent of the voting rights, of which 2.61 percent are held directly and 0.65 percent through instruments.

The Capital Group Companies, Inc., Los Angeles, USA, holds 3.03 percent of the voting rights, of which 2.96 percent are held directly and 0.07 percent through instruments.

DWS Investment GmbH, Frankfurt, Germany, holds 2.54 percent of the voting rights, of which 2.52 percent are held directly and 0.03 percent through instruments.

At the end of 2024, 57 percent of the shares were held in Germany, 14 percent in the USA, 14 percent in continental Europe, 9 percent in Asia, and 5 percent in Great Britain and Ireland. The shareholding of the Executive Board and Supervisory Board was less than one percent as of December 31, 2024.

Investor relations activities

The aim of our investor relations work is to communicate with our investors and analysts in a way that creates trust and transparency. By providing comprehensive information, we contribute to a fair valuation of our shares In 2024, we participated in 25 capital market conferences and roadshows organized by banks, focusing on investors and analysts in Germany, Europe, and the USA. A total of over 223 meetings were held with investors and analysts, with multiple investors or analysts attending the so-called group meetings. The main topics of our capital market communication were the business performance in 2024, financing, demand development, our new fab in Singapore, and our sustainability activities. Additionally, the IR Team informed about the expansion of the Executive Board with Klaus Buchwald as Chief Operating Officer (COO).

Analyst coverage

At the end of 2024, the Siltronic share was covered by fifteen financial analysts. As of December 31, 2024, twelve analysts recommended buying the share, two analysts recommended holding it, and one analyst recommended selling it. The average price target of the analysts at the end of December 2024 was EUR 89.

Current data and information are published on the Siltronic website *www.siltronic.com* under Investor Relations.

Key share data

First trading day	June 11, 2015
Stock exchange	Frankfurt
Market segment	Regulated Market
Transparency standard	Prime Standard
Index	MDAX, TecDAX
ISIN	DE000WAF3001
Ticker symbol	WAF300
Free float in % as of December 31, 2024[2]	55.5
Number of shares	30,000,000
High of 2024[1]	EUR 92.75
Low of 2024[1]	EUR 45.28
2024 closing price[1]	EUR 46.50
Market capitalization as of December 31, 2024	EUR 1.4 billion

[1] Xetra closing price
[2] According to DAX index rules

COMBINED MANAGEMENT REPORT

Business and economic conditions

Business activities and group structure

One of the leading international suppliers of hyperpure silicon wafers

Siltronic is one of the leading manufacturers of hyperpure silicon wafers for the semiconductor industry. We have production sites at four locations in Asia, Germany and the US, where we manufacture silicon wafers with diameters of up to 300 mm. The dominant consumers of silicon wafers in the semiconductor industry are among our customers and we have established long-standing business relationships with them over several years.

We are known in the market for leading technology, expertise, customer-specific solutions, and global product availability, as well as assured quality and delivery reliability. We are the only major Western wafer manufacturer and at the same time have a worldwide presence thanks to our global production and sales network. This enables us to maintain close relationships with customers in all regions and to respond quickly to their requests. This combination is the basis for our high level of customer satisfaction and it is the foundation for the sustained success of our business. Our goal is to deliver high-quality wafers that meet the latest requirements of our customers. This requires continuous improvement of product quality and a high level of innovation.

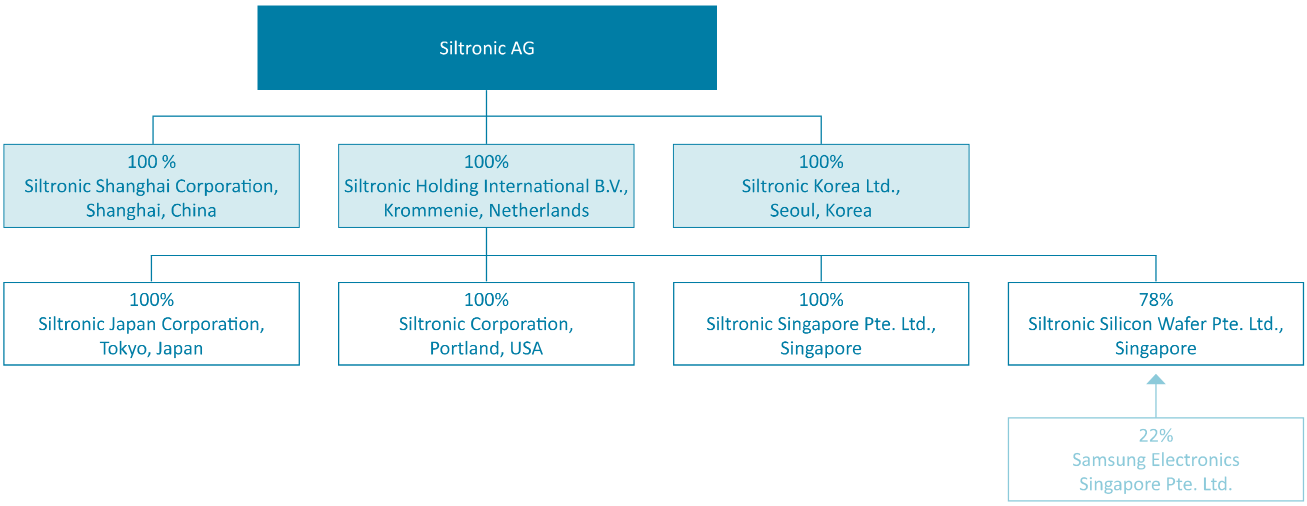
Silicon wafers are the basis for semiconductor chips and integrated circuits and are therefore a key component of many electronic applications, such as computers, smartphones, industrial equipment, wind turbines or cars with and without electric drives.

Our goal is to be one of the leading suppliers for the most advanced applications in the semiconductor industry (leading-edge) and to place a strong focus on wafers for power semiconductors.

Legal structure of the Group

Since 1996, Siltronic has been in the legal form of a stock corporation (Aktiengesellschaft) under German law, – initially under the name Wacker Siltronic Gesellschaft für Halbleitermaterialien AG. Since 2004, the company has been operating under the name Siltronic AG and its registered office is in Munich. As of the end of 2024, the AG was directly or indirectly involved in seven companies.

Structure of the Siltronic Group



Management and control

As required by the German Stock Corporation Act (AktG), Siltronic AG has a two-tier governance structure consisting of the Executive Board and Supervisory Board. Since June 1, 2024, the Executive Board has comprised three members.

In addition to Dr. Heckmeier, CEO, and Ms. Schmitt, CFO, Mr. Klaus Buchwald became a member of the Executive Board and Chief Operating Officer (COO) on June 1, 2024. The Supervisory Board consists of twelve members, whose term of office began at the end of the 2023 Annual General Meeting. Information on the Executive Board and the Supervisory Board and how their responsibilities are allocated can be found in the Declaration on Corporate Governance on page 54 ff.

Allocation of responsibilities on the Executive Board

CEO	CFO	COO
• Application Technology • CEO Office/Strategy/Business Development • Export & Import Control • Investor Relations & Corporate Communications • Legal & Compliance • Marketing & Sales • Quality & Security (including IT-Security) • Siltronic Singapore • Technology inclusive C-Level CTO	• Accounting • Controlling • Corporate Auditing • CSR • Customs • Finance/Treasury • Human Ressources (Director of Human Ressources) • Insurance • Pensions • Procurement • Risk Management • Siltronic USA • Tax	• Engineering • IT • Operations • Site Management Germany (Burghausen and Freiberg) • Supply Chain

Active strategic management holding company, decentralized structure, and proximity to customers
The parent company of the Siltronic Group, Siltronic AG, acts as the Group's holding company under company law and as its operational holding company. As the parent company, Siltronic AG is in charge of the corporate strategy and strategic management as well as communications with the Company's important stakeholders, particularly the capital markets and shareholders. The operational subsidiaries are managed by local management. With the exception of the pure sales companies in South Korea and China, the Siltronic AG Executive Board is also represented on the boards of the subsidiaries.

Remuneration of the Executive Board and Supervisory Board
The Executive Board's remuneration consists of fixed and variable elements. The main features of the remuneration system for the Executive Board and Supervisory Board are described in the compensation report on page 165.

Remuneration of the extended management team
An extended team of senior group managers at Siltronic AG have their performance measured in accordance with agreed targets. Specific targets are defined at groupwide, regional, and operational level and are reviewed on an ongoing basis.

Declaration on corporate governance
The declaration on corporate governance, which is required by Section 289f and Section 315d of the German Commercial Code (HGB), is issued on page 54. It includes information on the work of the Executive Board and Supervisory Board, the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), details on significant corporate management practices and further details on corporate governance.

The declaration of conformity has been made permanently accessible to the public on the website *https://www.siltronic.com/en/investors/corporate-governance.html* .

Important products, business processes, and markets

We create added value with our experience, technological competence and innovative strength
Silicon is the basis for nearly all semiconductor components and thus the foundation for the entire global electronics industry.

The performance of semiconductor components is constantly increasing, allowing more and more functions to be integrated. Today, the smallest structures, so-called "nodes" or "design rules" are just a few nanometers in size. The rapid technological development is reflected in the requirements for our silicon wafers. Their material properties are optimized and continuously improved for each of the highly complex applications. Volume production of wafers with diameters of up to 300 mm is then carried out according to specifications that define many different parameters and production processes.

Siltronic produces polished wafers for memory chips, epitaxial wafers for highly integrated microprocessors, low-resistance wafers for power applications and a variety of other wafer types for applications in automotive, telecommunications, high-voltage applications, or network technology.

We act as a strategic development partner for our industrial customers, and we supply solutions tailored specifically to their requirements. In doing so, we draw on our technical expertise and deep understanding of what our customers need. With our four production sites and our sales offices in Europe, the USA, and Asia we are close to our customers worldwide. In 2024, our three largest customers were (in alphabetical order) Infineon Technologies, Samsung Electronics and Taiwan Semiconductor Manufacturing Company (TSMC). Our local sales approach and our global production network enable us to offer high-quality customer service with making the best possible use of our resources.

Our long-term partnerships with customers are based on a high level of trust and cooperation, which also impacts our overall performance. The best performances are recognized by customers with awards for supplier performance. We are proud to have received this type of recognition on numerous occasions over the years. In 2024, we once again received several supplier awards for providing world-class support in areas such as quality, service, technology, and sustainability.

We have sales and application technology specialists at all locations to ensure competent and fast on-site support for our customers. We mainly sell our products directly to customers who manufacture semiconductor components themselves. Key account teams consisting of employees from the areas of sales, application technology, process technology, quality management and logistics maintain close relationships with our customers. By working closely with our customers, we help them to continuously improve and develop their products and solutions. At the same time, we receive important feedback on our products, which we use to guide our technology development.

Economic and legal influences

We sell our wafers to customers in the semiconductor industry worldwide. This means we are subject to the cyclical fluctuations that are typical for this industry. However, the timing and magnitude of these fluctuations can vary significantly. Additionally, more than six months may elapse between changes in end markets and their impact on our production. We take account of expected developments in our business planning at an early stage using selected leading indicators, such as commodity prices, customers' ordering behavior, our capacity utilization, and production and unit sales forecasts for the semiconductor industry.

Exchange rate volatility caused by trade relationships between currency areas has an operational impact on our sales and earnings because we generate nearly 80 percent of our sales in US dollars, but we incur the bulk of our costs in euros. We are trying to reduce the effect of changes in foreign exchange rates by increasing the production in Singapore, which correlates closely with the US dollar.

Siltronic's costs are affected by wage and salary increases and by changes in the cost of materials and energy costs. Our main raw material is polysilicon, most of which we obtain from Wacker Chemie AG on the basis of long-term supply agreements. We use a variety of supplies in our manufacturing processes, e.g. slurries and sawing wire. As far as possible, we try to procure our materials from multiple suppliers.

We increase our profitability by taking steps to optimize processes in all functional units. We use ongoing cost-reduction programs, in order to proactively identify and unlock potential for improvement. As part of these programs, we systematically record projects to increase efficiency. New ideas are prioritized and their implementation monitored in regular steering committee meetings.

As a global company, we are subject to various legal and tax regulations that we have to take into account in our business operations. These include product liability laws and employment requirements, as well as foreign trade and patent law.

Increasing trade barriers and sanctions as well as other protectionist and politically motivated obstacles, particularly with regard to the intensification of the economic disputes between China and the USA, may have an impact on our sales markets. We continuously monitor geopolitical developments and have developed plans and measures to minimize the impact on our business processes and to ensure compliance with all legal requirements at all times.

We also keep a particularly close eye on the logistics chains and our suppliers and evaluate opportunities and risks on a regular basis.

Competitive situation

There is a great deal of global competitive pressure in the market for silicon wafers for the semiconductor industry, which is characterized by a high concentration of wafer suppliers. Our main competitors are the two Japanese manufacturers Shin-Etsu and SUMCO Corporation, as well as GlobalWafers (Taiwan) and SK Siltron (South Korea). In terms of these five largest manufacturers and measured by sales, Siltronic had a stable market share in 2024 compared to the previous year.

Together, the five largest manufacturers meet roughly 80 percent of global demand. Customers are working closely with manufacturers on the development of new wafers. We expect to be able to benefit even more from this trend in the future due to our excellent access to customers.

Risks to our business arising from the economic and legal environment are presented in the risk report on page 38.

Corporate strategy and corporate management

Our short- and medium-term strategic objective is to expand our business activities in order to strengthen our position as one of the leading manufacturers of semiconductor wafers. To achieve this goal, we will continue to invest heavily in technology and quality. Furthermore, we continue our programs for operational excellence and cost reductions, and we increase our capacities in line with market growth. We also focus on a high level of profitability and stable cash flow. If needed, we adjust our strategy and our operating activities to the respective market conditions. Apart from the announced cessation of production of polished and epitaxial wafers with a diameter of up to 150 mm at the Burghausen site, no significant change in Siltronic's strategic direction was required compared to the previous year.

Megatrends creating a sustained increase in the use of our high-quality hyperpure silicon wafers
Customer requirements in the semiconductor industry are changing all the time, driven primarily by global megatrends such as Artificial Intelligence, Digitalization, and Electromobility. The constant improvements in functionality and energy efficiency are based on semiconductor manufacturers' continuous improvements to the components used in these applications, for example in smartphones, driver assistance systems in motor vehicles, and industrial automation. These developments typically go along with increasing performance requirements for the raw materials used. For example, smaller design rules for components are only possible if the silicon wafers used meet the corresponding geometry requirements.

We therefore expect that demand for highly developed wafers, so-called leading edge wafers, will continue to grow. We want to seize these growth opportunities by focusing on innovative value-adding solutions that add value, thereby proactively helping to meet our customers' new requirements.

Power Strategy
In the field of power semiconductors, we aim to consolidate our strong market position and continue to successfully accompany attractive growth markets. To achieve this, we are adopting a focused and differentiated approach to address the specific characteristics of each power sub-segment.

Synergies through standardized production processes
We have many years of experience in the production of 300 mm wafers, and we have built state-of-the-art production fabs for the volume production of these wafers at our German sites in Freiberg (Saxony) and Burghausen (Bavaria) as well as in Singapore. Standardized processes and largely identical machinery ensure knowledge transfer between our production sites. This enables us to improve processes quickly and easily, and to simplify the qualification process at our customers.

Our success factors: global presence and innovative strength

We want to offer solutions with enhanced product capabilities and quality that can be used in our customers' current and future applications.

The products required in our target markets are highly sophisticated. Examples of applications for silicon wafers are computers, tablets, smartphones, assistance and control systems in the automotive industry, or wearables. We provide our customers worldwide with specified, high-quality products. Apart from the Czochralski process we use the float zone technology to grow ingots for the production of wafers up to 200 mm in diameter. We continuously improve our innovative strength and place a high priority on research and development (R&D).

Ongoing optimization of our production processes and cost structures
Our strategic objectives are to improve profitability and to strengthen cash flow. We support and steer our efforts to achieve these objectives in a variety of ways. These include cost and capex discipline and continuous improvement of processes in all functions and regions.

Securing sustainable profitable growth
To support further market growth, we have built a new state-of-the-art fab in Singapore for 300 mm wafers and are also investing in new equipment at other sites to meet the highest demands of our customers.

Constant monitoring of selected financial and non-financial key performance indicators
The Executive Board essentially bases its management of Siltronic on financial performance indicators.

The most important financial performance indicators in 2024 were EBIT, EBITDA margin and net cash flow.

High profitability is one of the key targets and metrics for the Executive Board. EBIT and EBITDA are used as key performance indicators. EBIT is defined as earnings before interest and taxes, EBITDA as EBIT excluding depreciation, amortization, impairment losses and reversals thereof. We use the EBITDA margin to compare ourselves with competitors. Based on this comparison, historical development and planning, we calculate a target EBITDA margin.

Another key performance indicator is net cash flow. Net cash flow is defined as free cash flow (cash flow from operating activities less cash outflows/inflows for capital expenditure in property, plant and equipment and intangible assets) excluding increases or decreases due to prepayments from customers or suppliers. The exclusion of timing differences due to prepayments helps to assess the extent to which a company can finance its investments in property, plant and equipment and intangible assets through its operating business. By focusing on this figure, we ensure that Siltronic's financial solidity is maintained in the future.

Our goal is to achieve positive net cash flow in our capital-intensive business. In addition to profitability, the main influencing factors are effective management of net working capital and the level of capital expenditure. Net working capital is the sum of inventories, trade receivables and contract assets less trade payables. Customer prepayments are not included in net working capital.

All financial performance indicators are planned throughout the Group and monitored on an ongoing basis. We measure deviations between planned and achieved targets monthly at Group level and in all local companies. Key performance indicators are analyzed monthly and quarterly. We also regularly review detailed business planning and forecast specific business developments based on available monthly and quarterly results.

The above-mentioned key performance indicators are supplemented by further financial performance indicators. These include sales, capital expenditures and net financial assets/ debt. Net financial debt include long- and short-term loan liabilities minus cash and cash equivalents as well as long- and short-term securities and fixed term deposits (investments). Restricted securities are not included. If cash and cash equivalents and investments exceed loan liabilities, it is presented as net financial assets.

Non-financial performance indicators primarily relate to greenhouse gas emissions (climate protection), water consumption, waste recycling, efficient use of silicon, and occupational safety. We do not consistently use any of these indicators to manage the business. [1]

[1] The non-financial KPIs of the non-financial report have been audited with limited assurance in accordance with International Accounting Standard on Assurance Engagements (ISAE) 3000 (Revised). The corresponding separate audit certificate of the auditor is also included in the annual report.

Business report

Macroeconomic situation and industry trends

According to analyses by the International Monetary Fund (IMF), the global economy was nearly stable in 2024. The declining inflation supported household spending and allowed for monetary policy easing in most major economies. Global growth slightly reduced from 3.3 percent in 2023 to 3.2 percent in 2024, according to the latest forecast from January 2025. The IMF reported that the global inflation rate was about 6.7 percent in 2023 and is expected to decrease to 5.8 percent in 2024.

Economic growth in the Eurozone increased from 0.4 percent in the previous year to 0.8 percent in the financial year 2024. Germany continued to experience a negative development with an economic decrease of –0.2 percent in 2024, following a –0.3 percent decrease in 2023, making it one of the laggards in Europe. Economic and structural burdens hindered a better economic development in 2024, including increasing competition for German exports in key markets, high energy costs, persistently high interest rates, and uncertain economic prospects.

According to the IMF, the gross domestic product (GDP) of the American economy increased by 2.8 percent in 2024 (2023: 2.9 percent).

The Japanese economy saw a significant decline of –0.2 percent in 2024, after a growth of 1.5 percent in the previous year.

China's GDP growth in 2024 was 4.8 percent, slightly below the previous year's level (2023: 5.2 percent). The rapid growth of net exports only partially offset the slower consumption, due to the delayed recovery of the real estate market and low consumer confidence.

The market for silicon wafers for the semiconductor industry, based on the members of the industry organization SEMI and measured by the globally sold area, decreased by 2.7 percent in 2024 (2023: 14.3 percent growth).

Sources: IMF (World Economic Outlook update, January 2025), Federal Ministry for Economic Affairs and Climate Action January 2025, OECD Economic Outlook December 2024, SEMI SMG (Press release from February 13, 2025).

Significant events

Construction of a 300 mm Fab in Singapore

In July 2021, we decided to build a second 300 mm fab at the Group site in Singapore to support market demand and the expansion projects of key customers. The fab began operations at the beginning of 2024 and will be gradually ramped up over several years. Currently, our focus is on qualifying the wafers from the new fab with our customers.

The financing of the investment was carried out through our own funds from past and future operational cash flows, customer prepayments, and external financing. In total, three loans were taken in 2022, consisting of a promissory note loan, a loan from the European Investment Bank, and a further loan. In addition, another loan agreement was concluded in 2023, consisting of a term loan and a revolving credit facility, which was partially drawn in 2024. Furthermore, another promissory note loan was placed for refinancing in September 2024, which was paid out in October 2024.

The effects of the investments on the net assets and financial position, the opportunities and risks and the forecast are explained separately in the relevant chapters.

Decision to cease production of “Small Diameters” at the Burghausen Site

In March 2024, we decided to gradually cease production of polished and epitaxial wafers with a diameter of up to 150 mm at the Burghausen site. The implementation is to be completed by July 31, 2025.

Despite this decision, the Burghausen site remains of crucial importance to Siltronic. In addition to being the global technology and research and development center, it also produces 300 mm wafers and 200 mm high-purity silicon rods.

The impact on earnings is minimal. There are no significant impacts on opportunities and risks. The impacts on the forecast are detailed in the respective chapter.

Comparison of actual and guided business performance

The demand weakness that already existed in the financial year 2023 continued into 2024. According to the Executive Board, the main reason for this was the high inventory levels at chip manufacturers and their customers.

Due to the ongoing demand weakness, primarily caused by increased inventory levels at customers and the resulting shifts in delivery volumes, the Executive Board published an ad-hoc announcement on February 12, 2024, regarding the guidance for the 2024 financial year. Sales were expected to be in the region of the previous year, based on an exchange rate assumption of EUR/USD 1.10 and stable average selling prices. This was also the case for the EBITDA margin (before ramp costs). However, the ramp costs of the new fab in Singapore would burden the EBITDA margin by up to 3 percentage points. Depreciation was expected to double compared to the previous year, leading to a significant decline in EBIT. Capex was expected to more than halve compared to the previous year, resulting in a significant improvement in net cash flow, which was still expected to remain significantly negative. At the time of the publication of the Annual Report, the guidance for planned capex was set at less than EUR 600 million.

In another ad hoc announcement on April 26, 2024, the guidance was again adjusted. This adjustment was necessary due to the continued delayed in the demand recovery and still elevated inventory levels. The Executive Board now expected sales to be about 10 percent below the previous year's level. This change was mainly due to lower volumes and a slightly negative exchange rate (EUR/USD 1.10) and price effects.

The EBITDA margin was expected to be between 21 percent and 25 percent. In addition to the sales impact, lower fixed cost dilution also led to this adjustment. Depreciation was expected to be below EUR 300 million. Capex was expected to be slightly below EUR 550 million.

With the publication of the Q2 results, the guidance was specified with group sales for the full year 2024 expected to be in the high single-digit percentage range below the previous year. The EBITDA margin was expected to be at the upper end of the previously communicated range of 23 percent to 25 percent. Investments were expected to be between EUR 500 million and EUR 530 million, and depreciation was expected to be under EUR 300 million.

In the third quarter, a further specification was made with an EBITDA margin of 24 percent to 26 percent and depreciation between EUR 230 million and EUR 250 million, as relevant customer qualifications were postponed to 2025, which are crucial for the start of depreciation of the major parts of the new fab.

With sales of EUR 1,412.8 million, the decline of -6.7 percent compared to the previous year was within the adjusted guidance. The EBITDA margin in 2024 was 25.8 percent, also within the adjusted guidance. In line with the guidance, EBIT of EUR 125.2 million, as expected, was also significantly lower than in the previous year.

At EUR -297.0 million, net cash flow improved significantly compared to the previous year, as expected, but remained significantly negative.

At the end of the reporting year, demand for wafers, from the Executive's Board perspective, was still characterized by elevated inventory levels at chip manufacturers and their customers, despite the recovery of the end markets.

Comparison of actual and guidance business performance

	2023 actual	Guidance February 12, 2024 (Ad-hoc)	Annual Guidance March 12, 2024 (Annual Report)	Guidance April 26, 2024 (Ad-hoc)	Guidance July 25, 2024 (Q2 2024)	Guidance October 24, 2024 (Q3 2024)	2024 actual
EBITDA margin in %	28.7	before ramp costs, in the region of the previous year; ramp costs will reduce the EBITDA margin by up to 3 percentage points compared to the previous year	unchanged	between 21 and 25 percent	between 23 and 25 percent	24 to 36 percent	25.8
EBIT in EUR million	231.3	significant decline	unchanged	unchanged	unchanged	unchanged	125.2
Net cash flow in EUR million	–663.5	will significantly improve compared to previous year, but remains significantly negative	unchanged	unchanged	unchanged	unchanged	–297.0
Sales in EUR million	1,513.8	in the region of the previous year	unchanged	roughly 10 percent below previous year	in the high single-digit percentage range below previous year	unchanged	1,412.8 –6.7 percent
Depreciation in EUR million	202.5	almost doubled compared to the previous year	unchanged	below EUR 300 million	unchanged	between EUR 230 million and EUR 250 million	238.5
Investments in EUR million	1,315.9	more than halved compared to the previous year	below EUR 600 million	slightly below EUR 550 million	between EUR 500 million and EUR 530 million	unchanged	523.4

Overall statement by the Executive Board on business performance and the economic position

The demand for wafers is highly dependent on the development of end markets, albeit with a certain time lag. While the end markets stagnated in 2023, they recorded significant growth of about 6 percent in 2024. This is partly due to the sharply increased demand for servers, driven by applications of artificial intelligence (AI). The need for wafers in smartphones and PCs was also higher this year compared to the previous year. Increased digitalization, the growing use of assistance systems, and the shift to electromobility also boosted wafer demand in the automotive sector.

Due to the continued high inventory levels, especially among chip manufacturers, which are partly a result of supply chain issues during the COVID-19 pandemic, this end market growth was not reflected in our order books. As in the previous year, our customers responded to the increased inventories by postponing already agreed delivery volumes to future periods. On the positive side, compared to previous cycles, we have a higher proportion of long-term contracts, which has reduced the impact on our revenue and profitability. As a result, despite the ongoing demand weakness, we have only experienced slight price declines this year.

In 2024, we generated sales of EUR 1,412.8 million, which corresponds to a decrease of 6.7 percent compared to the previous year (2023: EUR 1,513.8 million). The EBITDA margin reached a resilient level of 25.8 percent (2023: 28.7 percent).

In the past financial year, investments were significantly reduced to EUR 523.4 million (2023: EUR 1,315.9 million) compared to the previous year. The majority of the investments continued to be allocated to the new 300 mm factory in Singapore, which was commissioned at the beginning of 2024.

Due to the ongoing demand weakness and the still elevated investment levels related to projects, the net cash flow for 2024 remained negative at EUR –297.0 million, but it improved significantly compared to the previous year (2023: EUR –663.5 million). Net financial debt amounted to EUR 733.5 million at the end of the year (2023: EUR 355.7 million).

Although the demand weakness had a significant impact on our business figures for the second consecutive financial year, we were able to demonstrate our resilience once again in the past financial year. Given the external circumstances, which we could only influence to a limited extent, the development of the financial year 2024 was satisfactory. In particular, the EBITDA margin of 25.8 percent proved robust due to the cost measures taken, despite the prolonged demand weakness. The year 2024 was also marked by the commissioning of the new 300 mm fab in Singapore. The ramp-up of the factory is progressing with adjusted capacity. The current focus is on having our customers qualify the products from the new factory.

We expect that the economic situation in 2025 will remain tense but stable. While we anticipate growing end markets again, we continue to see, as in the past two financial years, increased inventory levels among chip manufacturers and their customers. This will lead to further postponements of delivery volumes and reduced orders for us.

This assessment is based on the results of the 2024 consolidated and individual financial statements and takes into account the business development up to the time of the preparation of the 2024 combined management report.

Due to the longer-than-expected demand weakness, we currently assume that our medium-term goals will not be achieved until after 2028. These goals include an increase in revenue to over EUR 2.2 billion and an EBITDA margin in the high 30 percent range. We remain convinced of the ongoing growth drivers of the semiconductor industry. We expect that megatrends such as artificial intelligence, digitalization, and electromobility will significantly increase the demand for semiconductors and thus wafers. Additionally, the new factory, due to its advantageous cost structure, will significantly improve the company's profitability.

Financial position and financial performance

Sales and earnings development

Price and area-related decline in sales

		2024	2023	Change	Q4 2024[1]	Q3 2024[1]	Q4 2023[1]	Change Q4 to Q3	Change Q4 to Q4
Sales	**in EUR million**	**1,412.8**	**1,513.8**	**–101.0**	**360.6**	**357.3**	**356.6**	**3.3**	**4.0**
	in %			–6.7				0.9	1.1

[1] Quarterly figures are unaudited

Annual comparison

In the financial year 2024, consolidated sales decreased from EUR 1,513.8 million in the previous year to EUR 1,412.8 million. This represents a decline of 6.7 percent or EUR 101.0 million. The decrease is attributed to reduced average selling prices in euros and a decline in wafer area. The drop in average selling prices was particularly noticeable in older product type diameters.

Since we predominantly invoice our sales in US dollars, the development of the US dollar against the euro is significant. When comparing 2024 sales with the previous year, the exchange rate influence was negligible, as the average exchange rate for the euro against the US dollar in 2024 was 1.08, the same as in the previous year. Additionally, a smaller portion of the sales depends on the development of the Japanese yen (2024: EUR/JPY: 164; 2023: 152). This had a slightly negative impact on sales year-over-year.

There were no significant changes in the regional distribution of sales. In the reporting year, as in the previous year, 73 percent of sales came from the largest region, Asia, followed by Europe with 18 percent (previous year: 19 percent) and the USA with 9 percent (previous year: 8 percent).

Sequential quarterly comparison[1]

Sales in the fourth quarter of 2024 increased compared to the third quarter of 2024, primarily due to a favorable exchange rate. In the final quarter, the average exchange rate for the US dollar against the euro was 1.07 (average rate Q3 2024: 1.10; Q2 2024: 1.08; Q1 2024: 1.09).

Gross profit declining

		2024	2023	Change	Q4 2024[1]	Q3 2024[1]	Q4 2023[1]	Change Q4 to Q3	Change Q4 to Q4
Cost of sales	in EUR million	1,137.4	1,141.6	–4.2	295.1	288.1	277.4	7.0	17.7
	in %			–0.3				2.4	6.4
Gross profit	**in EUR million**	**275.4**	**372.2**	**–96.8**	**65.5**	**69.2**	**79.2**	**–3.7**	**–13.7**
	in %			**–26.0**				**–5.3**	**–17.3**
Gross margin	in %	19.5	24.6		18.2	19.4	22.2		

[1] Quarterly figures are unaudited

Yearly comparison

Cost of sales decreased by EUR 4.2 million to EUR 1,137.4 million year-over-year. This decline is primarily due to the reduced wafer area sold.

However, the cost of sales did not decrease at the same rate as sales, as sales were also affected by declining average selling prices. Additionally, increased depreciation due to investments and lower fixed cost absorption due to the reduced wafer area sold had an increasing effect on the cost of sales.

The lower fixed cost dilution is particularly evident in labor and energy costs. In contrast, the costs for raw materials, consumables and supplies slightly decreased in line with the relative volume decline compared to the previous year.

Depreciation increased by EUR 36.0 million compared to the previous year, with the vast majority of this increase accounted for in cost of sales.

As a result, the gross profit for the financial year 2024 decreased by 26.0 percent to EUR 275.4 million. The gross margin decreased from 24.6 percent to 19.5 percent.

Sequential quarterly comparison[1]

The increased depreciation due to investments was the driver for the declining gross margin in the fourth quarter compared to the previous quarter.

Expenses for selling, R&D and administration at around 11 percent of sales

In EUR million	2024	2023	Change	Q4 2024[1]	Q3 2024[1]	Q4 2023[1]	Change Q4 to Q3	Change Q4 to Q4
Selling expenses	32.3	35.1	–2.8	7.8	7.9	9.0	–0.1	–1.2
R&D expenses	83.1	87.6	–4.5	19.8	19.7	23.3	0.1	–3.5
Administration expenses	35.4	35.4	–	9.0	8.1	9.4	0.9	–0.4
Total	**150.8**	**158.1**	**–7.3**	**36.7**	**35.8**	**41.6**	**0.9**	**–4.9**
In % of sales	10.7	10.4		10.2	10.0	11.7		

[1] Quarterly figures are unaudited

The expenses for selling, research and development (R&D) and administration were EUR 150.8 million in the reporting year. This represents 10.7 percent of sales compared to 8.7 percent in the previous year.

Year-over-year, expenses for selling and R&D decreased roughly in line with sales. This is due to the lower production volume and reduced labor costs. Administrative costs remained unchanged compared to the previous year.

No significant impact from exchange rate effects in 2024

In EUR million	2024	2023	Change	Q4 20241	Q3 20241	Q4 20231	Change Q4 to Q3	Change Q4 to Q4
Balance of exchange rate effects	–0.3	16.5	–16.8	–0.4	–4.6	–0.8	4.2	0.4
Rest of other operating income and expenses	0.9	0.7	0.2	–1.0	–	–	–1.0	–1.0
Balance of other operating income and expenses	**0.6**	**17.2**	**–16.6**	**–1.4**	**–4.6**	**–0.8**	**3.2**	**–0.6**

[1] Quarterly figures are unaudited

To mitigate risks arising from exchange rate developments, we implement measures to hedge currencies.

Exchange rate effects from hedging activities are included in other operating income and other operating expenses. Such income and expense counteract the impact of exchange rate effects on sales and gross margin.

In 2024, there was a net expense from exchange rate effects of EUR -0.3 million, compared to an income of EUR 16.5 million in the previous year.

Sequential Quarterly Comparison[1]

In the fourth quarter of 2024, an exchange rate-related expense of EUR 0.4 million was recorded, compared to an expense of EUR -4.6 million in the previous quarter.

EBITDA margin remains resilient at 26 percent

		2024	2023	Change	Q4 2024[1]	Q3 2024[1]	Q4 2023[1]	Change Q4 to Q3	Change Q4 to Q4
EBITDA	**in EUR million**	**363.8**	**433.9**	**-70.1**	**93.0**	**89.4**	**91.1**	**3.6**	**1.9**
	in %			**-16.2**				**4.0**	**2.1**
EBITDA margin	**in %**	**25.8**	**28.7**		**25.8**	**25.0**	**25.5**		
Depreciation, amortization and impairment less reversals thereof	in EUR million	–238.5	–202.5	-36.0	–65.6	–60.5	–54.3	–5.1	–11.3
EBIT	in EUR million	125.2	231.3	–106.1	27.4	28.9	36.8	–1.5	–9.4
	in %			–45.9				–5.2	–25.5
EBIT margin	in %	8.9	15.3		7.6	8.1	10.3		

[1] Quarterly figures are unaudited

EBITDA 2024 amounted to EUR 363.8 million and was significantly lower than in 2023 with EUR 433.9 million.

The EBITDA margin was 25.8 percent in the reporting year, remaining resilient despite the prolonged demand weakness. The main reasons for the decline in the EBITDA margin are the decrease in sales and a lower result from exchange rate effects.

Depreciation and amortization included in "Depreciation, amortization and impairment less reversals thereof" increased by EUR 36 million in the financial year 2024 due to investment activities. The increase in depreciation only relates to planned depreciation.

The reasons for the decrease in operating profit (EBIT) by EUR 106.1 million to EUR 125.2 million is, in addition to the influences explained above, higher depreciation.

Sequential Quarterly Comparison[1]

In the fourth quarter, EBITDA increased from EUR 89.4 million to EUR 93.0 million compared to the previous quarter. This is primarily due to an improved result from exchange rate effects. The EBITDA margin reached 25.8 percent, up from 25.0 percent in the third quarter of 2024.

Loans for investments increase interest expenses

In EUR million	2024	2023	Change	Q4 2024[1]	Q3 2024[1]	Q4 2023[1]	Change Q4 to Q3	Change Q4 to Q4
Interest expenses for pension provisions	–4.7	–4.2	–0.5	–1.2	–1.2	–1.1	–	–0.1
Net result of financial investments	14.2	25.6	–11.4	5.1	2.7	4.6	2.4	0.5
Interest for loans	–28.4	–17.3	–11.1	–10.6	–7.0	–4.4	–3.6	–6.2
Other financial result (mainly leasing, derivatives and other provisions)	–6.0	–4.6	–1.4	–1.8	–1.1	–1.3	–0.7	–0.5
Financial result	**–24.9**	**–0.5**	**–24.4**	**–8.5**	**–6.6**	**–2.2**	**–1.9**	**–6.3**

[1] Quarterly figures are unaudited

In a year-over-year comparison, the net result from financial investments has significantly decreased, as significantly less funds were available for financial investments on average in 2024 compared to the previous year.

Loans taken out to support the financing of capex in fabs in Germany and Singapore led to a significant increase in interest expenses for loans.

Profit of EUR 66 million in the reporting year

		2024	2023	Change	Q4 2024[1]	Q3 2024[1]	Q4 2023[1]	Change Q4 to Q3	Change Q4 to Q4
Result before income tax	in EUR million	100.3	230.8	–130.5	18.9	22.3	34.6	–3.4	–15.7
Income taxes	in EUR million	–33.1	–29.5	–3.6	–20.6	–3.5	–2.3	–17.1	–18.3
Tax rate	in %	33	13		109	16	7		
Result for the period	**in EUR million**	**67.2**	**201.3**	**–134.1**	**–1.6**	**18.8**	**32.3**	**–20.4**	**–33.9**
thereof Siltronic shareholders		***63.0***	***184.4***		***–2.5***	***17.9***	***30.3***		
thereof other shareholders		***4.2***	***16.9***		***0.8***	***0.9***	***2.0***		
Earnings per share	**in EUR**	**2.10**	**6.15**	**–4.05**	**–0.08**	**0.60**	**1.01**	**–0.68**	**–1.09**

[1] Quarterly figures are unaudited

In the past financial year, income taxes amounted to EUR 33.1 million (previous year: EUR 29.5 million). The Group's tax rate was 33 percent in the reporting year (previous year: 13 percent). The higher tax rate is due to deferred tax effects.

Despite continuing to be affected by weak demand in the reporting year, an annual profit of EUR 67.2 million was achieved (previous year: EUR 201.3 million). Of this, EUR 63.0 million (previous year: EUR 184.4 million) is attributable to the shareholders of Siltronic AG.

Earnings per share were EUR 2.10, compared to EUR 6.15 in the previous year.

Assets and liabilities

The Group's total assets significantly increased to EUR 5,084.4 million on December 31, 2024 (2023: EUR 4,504.9 million).

Non-current assets increased due to investments

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Change
Intangible assets	34.8	22.2	12.6
Property, plant and equipment	3,676.2	3,318.8	357.4
Right-of-use assets	144.6	120.3	24.3
Financial investments	2.7	2.2	0.5
Other assets	27.9	35.8	–7.9
Non-current assets	**3,886.2**	**3,499.3**	**386.9**

Non-current assets amounted to EUR 3,886.2 million at the end of 2024, or around 76 percent of total assets (previous year: 78 percent). Compared with the end of 2023 (EUR 3,499.3 million), they increased by EUR 386.9 million which is attributable to a higher level of property, plant and equipment.

Capital expenditure (including intangible assets) totaled EUR 523.4 million (previous year: EUR 1,315.9 million). They were primarily allocated to the expansion of the new fab for 300 mm wafers in Singapore.

Depreciation and amortization less reversal of impairment amounted to EUR 238.5 million in 2024 (previous year: EUR 202.5 million).

As in the previous year, intangible assets as of December 31, 2024 include a goodwill in the amount of EUR 20.5 million. The value resulted from a step acquisition in 2014.

Other non-current assets largely comprise deferred taxes and prepayments on inventories.

Cash and cash equivalents and investments increased due to new loans.

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Change
Inventories	308.3	300.8	7.5
Trade receivables	155.6	174.6	–19.0
Other assets	70.6	73.3	–2.7
Cash and cash equivalents and fixed-term deposits	663.7	456.9	206.8
Current assets	**1,198.2**	**1,005.6**	**192.6**

Current assets amounted to EUR 1,198.2 million as of December 31, 2024, compared to EUR 1,005.6 million in the previous year. They accounted for around 24 percent of total assets (previous year: around 22 percent).

Trade receivables decreased as of the reporting date because a receivables sales program was used on a larger scale for the first time.

Other current assets primarily include tax receivables, prepaid expenses, and the fair values of derivatives.

Net working capital amounted to EUR 183.4 million as of 31 December 2024 (previous year: EUR 22.9 million). Trade payables were significantly higher as of December 31, 2023, due to investments, compared to the end of 2024.

Equity ratio of 44 percent

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Change
Equity	**2,215.2**	**2,099.7**	**115.5**
Pension provision	134.1	146.0	–11.9
Loan liabilities	1,303.8	785.1	518.7
Customer prepayments	508.6	542.5	–33.9
Lease liabilities	137.0	109.5	27.5
Other liabilities	215.4	184.2	31.2
Non-current liabilities	**2,298.9**	**1,767.3**	**531.6**

Equity amounted to EUR 2,215.2 million as of December 31, 2024 (previous year: EUR 2,099.7 million). The equity ratio was thus 43.6 percent compared to 46.6 percent as of 31 December 2023.

The development of equity is shown in the following table:

In EUR million	
Equity December 31, 2023	**2,099.7**
Net income	67.2
Dividend	-36.0
Other comprehensive income: remeasurement of DBO, mainly due to decrease in interest rate	35.5
Other comprehensive income: foreign currency valuation	62.2
Other comprehensive income: changes of derivative financial instruments	-13.4
Equity December 31, 2024	**2,215.2**

Non-current liabilities amounted to EUR 2,298.9 million as of December 31, 2024 (previous year: EUR 1,767.3 million); they account for around 45 percent (previous year: around 39 percent) of total liabilities and equity.

The increase of EUR 531.6 million is primarily due to loan liabilities. Funds for capex in Singapore and Germany were drawn from existing and newly concluded loan agreements during the reporting year. As a result, loan liabilities increased by EUR 518.7 million. In addition to the loans utilized, there are unused credit lines amounting to EUR 180 million, some of which are scheduled to be drawn in 2025.

Pension provisions slightly decreased year-over-year. This is due to an increase in interest rates in the USA from 4.90 percent at the end of 2023 to 5.37 percent at the end of 2024, and in Germany from 3.31 percent to 3.46 percent over the same period.

Siltronic received prepayments in previous years and in the reporting year due to long-term agreements with customers. This is primarily related to the expansion of our production capacities in Singapore. The contracts obligate customers to purchase wafers over several years. Depending on the purchases of wafers by these customers, Siltronic must refund the received prepayments. In 2024, the refunds exceeded the inflows of 2024 by EUR 33.9 million.

The long-term lease liabilities primarily relate to lease agreements for land and machinery. Additionally, there are a smaller number of assets provided through lease agreements. The increase compared to the previous year is related to the new fab in Singapore.

The increase in other long-term liabilities is mainly due to an investment grant received during the reporting year, which will be amortized over several years. This item also primarily includes obligations for environmental protection, early retirement, anniversaries, and taxes.

Decrease in trade payables due to declining investment activities.

In EUR million	**Dec. 31, 2024**	Dec. 31, 2023	Change
Trade liabilities	280.5	452.5	–172.0
Loan liabilities	75.2	3.9	71.3
Customer prepayments	57.3	46.3	11.0
Lease liabilities	7.3	6.1	1.2
Other provisions and liabilities	150.0	129.1	20.9
Current liabilities	**570.3**	**637.9**	**–67.6**

Current liabilities totaled EUR 570.3 million as of December 31, 2024, representing around 11 percent of total assets (previous year: around 14 percent).

Due to investments, trade liabilities were at a very high level at the end of the reporting year and the previous year. The significant decrease in 2024 is because investment activities for the new fab in Singapore were much higher at the end of 2023 than at the end of the reporting year. The assignment of trade payables to a financing partner amounting to EUR 40.6 million in the reporting year had no effect on the year-over-year comparison of trade payables (previous year's value: EUR 40.9 million).

The short-term loan liabilities are loans that are scheduled to mature in 2025.

The short-term customer prepayments reflect the portion of customer prepayments that are expected to be delivered within one year. The repayment is linked to deliveries or revenue.

Other liabilities primarily include the short-term portion of personnel liabilities (vacation, overtime, performance-based compensation), as well as tax liabilities and negative market values from derivatives. The increase in negative market values from derivatives is the main reason for the higher short-term other liabilities.

Influence of exchange rate fluctuations and acquisitions on balance sheet
The exchange rate fluctuations on the change in the carrying amounts of assets and liabilities located outside Germany (impact from translation shown in equity) increased by EUR 62.2 million compared to the previous year.

There were no acquisitions of a company or a business.

Unrecognized intangible assets
We consider the confidence of our customers in the quality of existing products as well as in the ability of Siltronic to adapt existing products to the continuously increasing technical requirements of customers as an important factor for a successful business. To be able to identify and properly assess the future technical requirements of our customers at an early stage, we rely primarily on our own worldwide sales network, which maintains mature customer relationships.

Furthermore, we see our long-standing expertise in research and development as a competitive advantage.

Free and net cash flow negative as expected due to high capex

In EUR million	2024	2023	Change
Cash flow from operating activities	344.5	487.9	–143.4
Proceeds/payments for capital expenditure including intangible assets	–667.5	–1,112.1	444.6
Free cash flow	**–323.0**	**–624.2**	**301.2**
Increase/decrease of prepayments received (customer prepayments)	26.0	–39.3	65.3
Net cash flow	**–297.0**	**–663.5**	**366.5**
Proceeds/payments for capital expenditure including intangible assets	–667.5	–1,112.1	444.6
Proceeds/payments from financial investments (fixed-term deposits, securities)	–292.3	483.2	–775.5
Cash flow from investing activities	**–959.8**	**–628.9**	**–330.9**
Dividends	–36.0	–90.0	54.0
Proceeds from loans	569.0	139.1	429.9
Principle portion of lease payments	–7.4	–6.3	–1.1
Cash flow from financing activities	**525.6**	**42.8**	**482.8**

Net cash flow from operating activities
We generated a net cash flow from operating activities of EUR 344.5 million in 2024, compared to EUR 487.9 million in the previous year. These amounts are influenced by prepayments, which only represent a period shift. In the reporting year, free cash flow was negatively impacted by prepayments amounting to EUR 26.0 million (previous year: EUR 39.3 million). The amount is a net figure from inflows and repayments of prepayments.

Cash inflow/outflow for capital expenditure and free cash flow
Cash outflows for capital expenditure including intangible assets decreased from EUR 1,112.1 million in 2023 to EUR 667.5 million in 2024. As in the previous year, the high payments could not be fully financed from the cash flow from operating activities.

The free cash flow (cash inflow from operating activities after deduction of proceeds/payments for capital expenditure including intangible assets) was significantly negative at EUR -323.0 million , but it has improved considerably compared to the previous year (2023: EUR -624.2 million).

Net cash flow significantly reduced due to high investments
Since prepayments from customers and suppliers, due to their size and irregularity, affect the significance of cash flow from ordinary business activities, Siltronic uses net cash flow as a control measure. Further details on this control measure can be found in the chapter "Corporate Strategy and Management."

In the reporting year, net cash flow showed a cash outflow of EUR 297.0 million (previous year: EUR 663.5 million). The reason was the continued high payments for capex.

Cash inflow/outflow for financial investments
In addition to cash outflows for capex including intangible assets, cash inflows and outflows for cash investments (time deposits and securities) are included in cash flow from investing activities. In 2024, net cash inflows due to cash investments had a volume of EUR 292.3 million (previous year: net outflow of EUR 483.2 million). After the net outflows, the group had investments amounting to EUR 369.3 million as of December 31, 2024. These were in addition to cash and cash equivalents amounting to EUR 297.1 million.

Cash flow from financing activities
In 2024, EUR 1.20 per share was distributed to the shareholders of Siltronic AG (previous year: EUR 3.00).

Proceeds from loans amounting to EUR 569.0 million resulted from the drawdown of funds under long-term loan agreements.

Financial management

Principles and objectives

The objective of Siltronic's financial management is to optimize cash flows and to ensure that currency effects are hedged in accordance with our policy. Derivatives are used to hedge cash inflows and outflows resulting from receivables and liabilities, variable interest rates and oil prices.

As the Group's parent company, Siltronic AG is significantly involved in the financing of its subsidiaries. Financing is managed from the Group perspective.

Net financial debt at EUR 733.5 million

The high investments at the end of 2023, some of which were not due for payment until 2024, and the continued elevated level of investment led to payments for capex including intangible assets amounting to EUR 699.9 million in 2024, significantly exceeding the balance sheet additions for the reporting year (EUR 523.4 million). Since the cash flow from operating activities could not offset the payments, net financial debt increased by EUR 377.8 million. This also includes the dividend of EUR 36.0 million paid to Siltronic AG shareholders in May 2024. As of December 31, 2024, net financial debt stood at EUR 733.5 million (December 31, 2023: net financial debt of EUR 355.7 million).

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Change
Cash and cash equivalents	–297.1	–386.2	89.1
Securities and time deposits	–369.3	–72.9	–296.4
Restricted Funds	2.7	2.2	0.5
Nominal value of loan liabilities including interest	1,397.2	812.6	584.6
Net financial debt	**733.5**	**355.7**	**377.8**

Liquidity management

Our aim is to pool Group companies' surplus liquidity and, while ensuring solvency at all times, to optimally allocate this money within the Group or to invest it externally. For this purpose, we use a treasury management system that provides us with an overview of each subsidiary's cash status at all times.

Summary of financial position

Due to the very high payments for capex including intangible assets during the reporting year, net financial debt as of the reporting date is EUR 733.5 million (previous year: EUR 355.7 million).

Limitation of financial risk

To limit Siltronic's currency risk, we have defined a strategy for entering into currency hedging transactions. We refer to this as "hedging strategy". Currency hedging transactions include futures, swaps and options. Expenses and income are recognized in accordance with the rules on hedge accounting under IFRS (reported in the statement of profit or loss in other comprehensive income).

Other core components of our policy for limiting financial risk are the clear definition of process responsibility, multi-level approval processes, risk assessments and audits.

Analysis of capital expenditure

We are investing in existing fabs and in a new fab in Singapore. In addition to capacity expansions, our investment projects focus on the following areas in order to maintain business operations: cost efficiency, for example through automation, improving the product mix, ensuring capabilities (along with technological advancement) and maintenance.

Siltronic AG

In addition to the information on the Siltronic Group, we report on the performance of Siltronic AG. The annual financial statements of Siltronic AG are prepared in accordance with the regulations of the German Commercial Code (HGB). The complete set of financial statements including related documents is published separately.

As the parent company of the Siltronic Group, Siltronic AG is responsible for overall strategic management, financing and communication with the capital market and shareholders.

Siltronic AG is an operating company. Wafers and the intermediate product ingot are manufactured at the two German production sites in Burghausen and Freiberg. In addition, Siltronic AG has sales entities in the form of permanent establishments in Taiwan, France and Italy and a permanent establishment in Singapore, whose activities are limited to providing engineering services to Siltronic group companies in Singapore.

The company realizes its sales on the one hand from self-produced products (wafers and ingots) and on the other from reselling wafers. Revenues generated in Singapore from engineering services are not significant.

The company sells wafers either to end customers (third parties) or to subsidiaries. Siltronic AG bills end customers if the end customer is (i) located in Europe or (ii) in Taiwan or if (iii) the customer explicitly wishes to purchase from Siltronic AG. In all other cases, Siltronic AG sells wafers to subsidiaries, which act as distributors and sell the wafers to end customers. Ingots are sold exclusively to subsidiaries.

In the distribution business, subsidiaries with manufacturing sell their wafers to Siltronic AG, which acts as a reseller. In these cases, Siltronic AG bills end customers located in (a) Europe or (b) Taiwan or if (c) a customer explicitly wishes to purchase from Siltronic AG.

Results of operations of Siltronic AG in accordance with the German Commercial Code (HGB)

			Change	
In EUR million	**2024**	2023	Amount	in %
Sales	1,099.0	1,150.3	–51.3	–4
Changes in inventories and other own work capitalized	17.0	12.7	4.3	34
Total operating output	**1,116.0**	**1,163.0**	**–47.0**	**–4**
Cost of materials	–550.9	–562.7	11.8	–2
Labor costs	–259.9	–281.4	21.5	–8
Depreciation, amortization, and impairment	–127.8	–107.6	–20.2	19
Other net operating expenses and income	–179.2	–176.3	–2.9	2
EBIT	**–1.8**	**35.0**	**–36.8**	**–105**
EBITDA	**126.0**	**142.6**	**–16.6**	**–12**
Interest income/expenses	–13.1	–6.1	–7.0	115
Result before income taxes	**–14.9**	**28.9**	**–43.8**	**–152**
Income taxes and other taxes	1.6	–8.9	10.5	–118
Profit or loss	**–13.3**	**20.0**	**–33.3**	**–167**

In order to understanding Siltronic AG's financial performance it is crucial to separate the results of its own production of wafers and ingots from the results situation of the trading business. The trading business relates exclusively to wafers that subsidiaries have manufactured. For further information, please refer to the paragraphs preceding the table.

Although the wafer trading business has a significant impact on sales and cost of materials, neither EBIT nor EBITDA of the company are significantly affected. The main reason for this is that the trading business shows a low margin in line with its low risk profile. The selling price of a wafer subject to resale recorded in the line item 'sales' is only slightly higher than the purchase price recorded under 'cost of materials'. In addition, as there are only minor fixed costs associated with the trading business, the annual changes in EBIT and EBITDA in the statutory financial statements (prepared in accordance with German commercial law) depend on the result of own production of wafers and ingots and on income from investments. (Siltronic AG can participate in the financial performance of all major foreign subsidiaries through its investment company Siltronic Holding International B.V., Netherlands, by way of dividends. The Executive Board of Siltronic AG exercises this option by determining the amount of dividends to be paid by Siltronic Holding International B.V. to Siltronic AG each year on the basis of business considerations.) This also applies to the EBITDA margin, which excludes trading activities as performance indicator.

The year-over-year decrease in sales of EUR 51.3 million in the statutory accounts of Siltronic AG is attributable both to the company's own production of wafers and ingots and to the trading business with wafers. The decrease in sales was driven by the lower wafer area sold. Lower wafer area sold was also the driving force behind the decline in Group sales.

In the financial statements of SAG, 66 percent of total sales comes from customers based in Asia (previous year: 65 percent), 23 percent from customers primarily based in Europe (previous year: 25 percent), and 11 percent from American customers (previous year: 10 percent). The decrease in material costs, apart from the trading business, is primarily characterized by declining raw material and energy costs.

Labor costs decreased compared to the previous year, mainly due to lower pension expenses and reduced variable compensation, which almost all employees of the company participate in. Nevertheless, personnel expenses in relation to total output from own production only decreased from 32 percent in the previous year to 31 percent in the reporting year. At the group level, personnel expenses in relation to revenue slightly increased, which is attributable to the different accounting and valuation of pensions according to German commercial law and IFRS.

As in the Group, the higher depreciation, amortization, and impairment is due to the increase in capex in property, plant, and equipment over the past few years. These are scheduled depreciations.

Other operating expenses and income, net, are at the same level as the previous year and are influenced by two effects. Firstly, there is the negative balance of exchange rate gains and losses, which was EUR 18.8 million below the positive balance of the previous year. This trend was similar in the Group. Secondly, expenses for freight, temporary workers, technical expenses, and maintenance of machinery, as well as travel expenses, decreased by EUR 12.3 million compared to the previous year. This trend was also comparable in the Group.

Excluding the trading business, the EBIT margin in the individual financial statements decreased by 4 percentage points. In the consolidated financial statements, the decrease was similar at minus 6 percentage points. The EBITDA margin excluding the trading business developed similarly to the consolidated financial statements (decrease of 1 percentage point in the individual financial statements and 3 percentage points in the consolidated financial statements).

The cash flow from operating activities in the individual company was significantly positive at EUR 127.0 million (in the Group, this cash flow was also significantly positive at EUR 344.5 million). As in the Group, prepayments had no significant impact on the cash flow from operating activities. Since disbursements for investments in property, plant, and equipment and intangible assets – as in the Group – were almost twice as high as the cash flow from operating activities, the net cash flow of Siltronic AG was significantly negative at EUR -48.3 million. The Group's net cash flow was also significantly negative with a disbursement surplus of EUR 297.0 million.

The result before taxes was negative. Siltronic AG reported a tax income for the year 2024. The reason for this was tax refunds for previous years; no deferred tax assets were recognized.

Net assets of Siltronic AG in accordance with the German Commercial Code (HGB)

In EUR million	Dec. 31, 2024	Dec. 31, 2023	Change Amount	Change in %
Fixed assets				
Intangible Assets	14.1	1.3	12.8	>100
Property, plant and equipment	989.7	917.7	72.0	7.8
Investments in affiliated companies	129.9	129.9	–	–
Financial assets	–	10.3	–10.3	–100.0
	1,133.7	**1,059.2**	**74.5**	**7.0**
Current assets and deferred expenses				
Inventories	580.9	598.5	–17.6	–2.9
Trade receivables from third parties	85.0	80.4	4.6	5.7
Receivables from affiliated companies	373.4	116.0	257.4	221.9
Other assets, excluding time deposits	46.4	54.8	–8.4	–15.3
Cash and cash equivalents, including time deposits	608.9	384.1	224.8	58.5
	1,694.6	**1,233.8**	**460.8**	**37.3**
Total assets	**2,828.3**	**2,293.0**	**535.3**	**23.3**

As capex including intangible assets exceeded depreciation, the book value increased by EUR 72.0 million. In the financial year 2024, additions to property, plant and equipment amounted to EUR 219.7 million.

Investments in affiliated companies relate almost exclusively to the subsidiary Siltronic Holding International B. V.

Inventories include prepayments of EUR 426.1 million, a slight decrease compared to the previous year (EUR 440.3 million). Siltronic AG has passed on a significant portion of the prepayments to a manufacturing subsidiary. Siltronic AG sells the wafers produced by the subsidiary in the trading business.

The slight increase in trade receivables from third parties is the result of two generally compensating influences. On the one hand, trade receivables increased by EUR 29.3 million due to higher trading activity towards the end of the year. On the other hand, trade receivables from third parties decreased by EUR 20.2 million due to a receivables sale program.

Receivables from affiliated companies increased significantly because a loan was granted to a subsidiary in Singapore. As a result, receivables from affiliated companies increased by EUR 282.4 million. Conversely, receivables from affiliated companies decreased because trade receivables from group companies decreased by EUR 25.0 million compared to the previous year.

The reason for the increase in cash and cash equivalents was the issuance of a promissory note loan as well as the drawdown of funds from an existing credit line. This significantly overcompensated for the high disbursements for investments and the payment of the dividend amounting to EUR 36.0 million.

Financial position of Siltronic AG in accordance with the German Commercial Code (HGB)

			Change	
In EUR million	Dec. 31, 2024	Dec. 31, 2023	Amount	in %
Equity	**549.6**	**598.9**	**–49.3**	**–8.2**
Provisions				
Pension provisions	175.9	177.4	–1.5	–0.8
Other provisions	136.5	153.9	–17.4	–11.3
	312.4	**331.3**	**–18.9**	**–5.7**
Liabilities				
Loan liabilities	1,078.9	503.9	575.0	114.1
Trade payables to third parties	64.5	47.4	17.1	36.1
Liabilities to affiliated companies	322.6	271.4	51.2	18.9
Prepayments received	451.1	491.4	–40.3	–8.2
Other liabilities	49.2	48.7	0.5	1.0
	1,966.3	**1,362.8**	**603.5**	**44.3**
Total equity and liabilities	**2,828.3**	**2,293.0**	**535.3**	**23.3**

As at the balance sheet date, 19 percent of the assets were financed by equity and 81 percent by liabilities.

The decrease in other provisions is mainly due to a significant reduction in outstanding invoices from investment activities.

In the reporting year, a new promissory note loan was taken out to finance investments in tangible assets within the group. Also financial resources were drawn from an existing unused credit line. Due to the increased liabilities to banks, Siltronic AG's cash and cash equivalents increased by EUR 224.8 million.

The main reason for the increase in liabilities to affiliated companies by EUR 51.2 million is financial liabilities to the subsidiary in the USA.

The increase in trade payables was due to investment activities as of the balance sheet date. Provisions for outstanding invoices decreased by a similar amount.

The prepayments were received from customers outside the Group. The repayment is linked to the future delivery of wafers to these customers.

Net financial debt amounted to EUR 461.1 million as of December 31, 2024 (previous year: EUR 335.2 million). Cash flow from operating activities amounted to EUR 127.0 million in the reporting year. Payments for tangible and intangible assets totaled EUR 212.5 million. Additionally, a dividend of EUR 36.0 million was paid to shareholders.

Chances and risks

The business development of Siltronic AG is essentially subject to the same risks and opportunities as those of the Siltronic Group. In principle, Siltronic AG participates directly or indirectly in the rewards of its subsidiaries in accordance with its interest. The assessment of risks is presented in the risk report. Siltronic AG, the parent company of the Siltronic Group, is integrated into the Group-wide risk management system.

Outlook

The expectation for the future business development of Siltronic AG in the coming year is essentially the same as the outlook for the Siltronic Group, which is described in detail in the forecast report.

Risk and opportunity report

Risk strategy and risk policy

We believe an effective opportunity and risk management is an important element of corporate governance for us as a global company. It is also part of our wider process of opportunity and risk management aimed at unlocking existing and future potential for success. Our risk assessment also includes possible negative impacts on non-financial aspects relating to social affairs, governance, the environment and climate. Based on the acceptable overall risk, the Executive Board decides which risks we will take in order to seize opportunities available to the Company. We aim to detect risks as early as possible, assess them appropriately, and take suitable steps to mitigate or avoid them. The Executive Board regularly reviews and updates the risk strategy, which covers all areas of the Company.

Risk management system

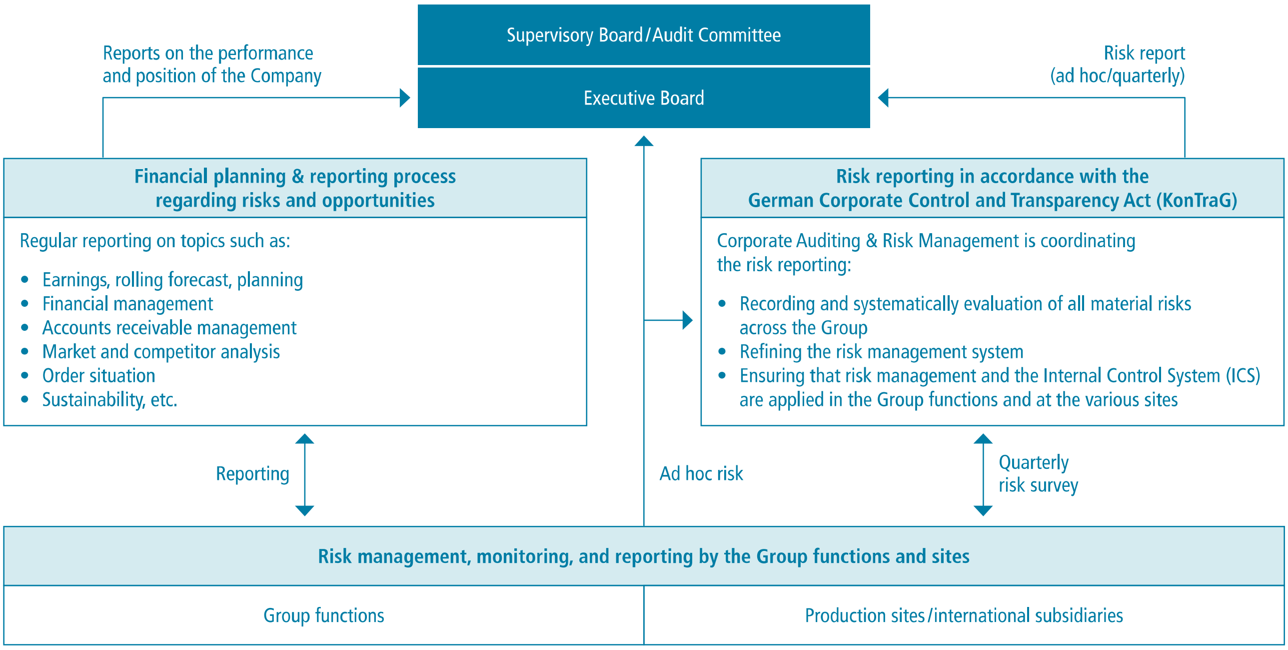
From an organizational perspective, the risk management system is integrated into the existing decentralized organizational and reporting structure and strategic corporate planning. It is complemented by a multi-stage process, whose mandatory procedures and criteria for identifying, assessing, managing, and reporting risks and for monitoring the system as a whole are defined in a Group manual. The risk management system encompasses all entities. The legally independent Group companies and the Group functions oversee day-to-day risk management in their own areas. Every quarter, the designated risk managers are requested to report to head office with regard to risks at their site or in the Group function for which they are responsible. In addition, material risks must be reported immediately using an ad-hoc reporting process. Process and system responsibility for the Group-wide risk management system lies with the Executive Board. Corporate Auditing & Risk Management centrally coordinates the Group-wide recording of all major risks in a separate system application, analyzes the overall situation at Group level and communicates the risks to the relevant functions. In addition, Corporate Auditing & Risk Management verifies the appropriate and effective implementation of risk management requirements in the various Group functions and at the sites as part of the annual audit plan or through ad hoc assigned investigations. An independent external body is regularly assigned to audit the Group risk management system.

The design and effectiveness of risk management measures are assessed at least once a year by the responsible functions as part of the year-end risk register review. In addition to the inherent and residual risks, the design and effectiveness of the risk mitigation and control measures are assessed. These measures are also part of the internal control system. Siltronic controls its processes via the Integrated Management System (IMS). Within the framework of the IMS, the continuous development of risk management and control processes is also assessed during the year by all function and site managers together with the Board of Management in a joint meeting. The overall outcome of this review process is recorded in writing in a final evaluation by the Executive Board. Based on this information and the regular internal management and audit reports, the Executive Board has no indication that Siltronic's risk management, internal control and compliance systems are not appropriate or effective. However, the effectiveness of any risk management- and control system remains limited. No risk management- and control system, even if it is classified as effective, can guarantee complete assurance. There remain uncertainties and risks that no one can predict with certainty.[1]

The Executive Board and the Audit Committee of the Supervisory Board are regularly informed about the current risk situation, the measures taken and the further development of the risk management system. Opportunities are not systematically recorded in the risk management process. The Executive Board and management are informed about current and expected business developments in monthly reports from the Group Controlling function. Based on this data, risks and opportunities are discussed, evaluated and weighed up by management.

[1] Paragraph is unaudited information

Risk- and opportunity reporting



The designated risk managers in our Group functions and at the main sites, along with the Group risk manager, regularly review processes, procedures, and developments for any risks that might exist. Risks are identified and assessed using standardized risk matrices in our system-based risk management application. We assess the relevant risks for probability of occurrence and the degree of impact on our business activities, financial position, financial performance, and cash flow. The period under review for the risk register extends beyond that of the forecast and covers the planning period adequate for the respective risk.

Based on the risks recorded quarterly or ad hoc, suitable measures are taken to avoid the identified risks or to reduce their probability of occurrence or possible economic damage. The measures derived to limit risks and any relevant early warning indicators, as well as the residual risks derived from them, are regularly updated and documented centrally in a risk management application.

Compliance Management System (CMS)

Siltronic's CMS is designed to prevent, identify and sanction legal violations in the corporate context. It was derived from a compliance risk analysis in which company and industry-specific risks were examined. The system is regularly reviewed and developed further depending on new conclusions.

Siltronic has appointed compliance officers in Germany, the USA, South Korea, China, Japan, Singapore and Taiwan. They coordinate compliance activities within the Group, provide advice on compliance and are the point of contact for questions and training.

We have issued an internationally applicable corporate guideline that defines responsibilities, value limits and reporting channels. Particular emphasis is placed on the prevention of corruption, bribery and anti-competitive behavior.

Internal control system

The internal control system (ICS) comprises control measures designed to manage risks and ensure orderly operations to achieve our business objectives. These checks are integrated into the operating processes and incorporate, for example, adequate separation of duties, verification by a second person, access and approval procedures, and other steps. The internal control system helps us to achieve the objectives of our business policy by ensuring the effectiveness and efficiency of business processes, compliance with laws and regulations as well as sustainability aspects and the protection of business assets.

With the internal control system relating to the accounting process, we ensure, among other things, that the accounting and valuation regulations relevant to Siltronic are implemented. The focus of the control system is to ensure that business transactions are properly recorded and processed and that the data generated on the Group's net assets, financial position and results of operations is reliable. Responsibility for the accounting-related ICS lies with the Accounting & Tax & Finance Management Group function. The most important controls include a central consolidation system, automatic validations, approval levels, authorization concepts and deviation analyses. We monitor changes to accounting regulations, train employees and call-in external specialists in selected cases. We minimize the risk of data loss and the failure of accounting-related IT systems with regular system backups and maintenance measures.

We ensure the design and effectiveness of the controls over financial reporting by monitoring key performance indicators on an ongoing basis as part of the monthly management reporting. Reviews by the independent auditor take place for the first half of the year and external audits at the end of the financial year. Each quarter, the management teams of the subsidiaries confirm that all information relevant to the quarterly and annual financial statements has been reported. At least annually, the assessment of accounting-related risks and controls is reviewed and revised as necessary. On behalf of the Executive Board, the Corporate Auditing & Risk Management Group function performs process-related audits of the main business areas, focusing on internal control systems. In consultation with the Audit Committee, the Executive Board decides on the topics to be audited, following a risk-oriented approach. If necessary, due to a change in circumstances, these topics can be flexibly amended during the year.

Among other things, the Supervisory Board performs its statutory monitoring duties through the Audit Committee. The main aspects monitored by the Audit Committee are the accounting process, the effectiveness of the control system and risk management system, and the audit of the financial statements. It also reviews the documents pertaining to the separate financial statements of Siltronic AG, the consolidated financial statements, and the combined management report relating to these financial statements before discussing them with the Executive Board and the auditor. The financial auditor assesses the early risk warning system as part of the audit of the annual financial statements.

Material risks

The following overview reflects our assessment of material risks that could have a negative impact on our business, net assets, financial position, profit, and reputation. The statements refer to the multi-year planning horizon. The risks in the overview are assessed on a net basis, i.e. taking into account the control and risk mitigation measures taken.

Overall environment

Economic development

Our business is particularly dependent on the development of the global economy. The many current uncertainties such as political tensions around Taiwan, trade and customs disputes for example between the USA and China, the war in Ukraine, conflicts in the Middle East, high debts of some countries and dwindling purchasing power due to inflation could have a greater negative impact on the global economic development than anticipated. An unexpected slowdown in economic development, both globally and in regions that are important for the semiconductor industry, could lead to a situation in which our sales revenues do not develop as expected. The demand for silicon wafers could be reduced due to a lack of demand or we could be forced to lower our prices due to stronger competitive pressure. If production capacity utilization is lower, specific manufacturing costs may increase and additionally burden our earnings.

We monitor the economic performance of our main sales markets on an ongoing basis. When economic growth weakens, we make preparations early on in order to flexibly adjust our production capacities, resources, and inventories in line with customer demand.

Geopolitical tensions, wars and trade restrictions

Due to the geostrategic importance of the semiconductor industry, countries are increasingly intervening in the semiconductor value chain. Intervention takes the form of reciprocal export, customs and investment restrictions or extensive financial support for investments, for example. Increasing trade barriers and sanctions as well as protectionist and politically motivated other obstacles, particularly with regard to the tensions between China, Europe and the USA, pose increasing risks to our sales markets and may have a significant negative impact on our earnings, financial position and net assets. We are continuously monitoring geopolitical developments and have developed plans and measures to minimize the impact on our business processes. Our globally distributed production sites and balanced customer portfolio help limit the impact on our business operations. We make preparations at an early stage to flexibly adapt our production capacities, resources and inventories to the sales markets.

We assume that the military conflicts in Ukraine and the Middle East will have no direct impact on our business. Depending on the development of the conflicts, however, the development of energy prices may burden our production with additional costs. However, we do not expect our sales to be directly affected by trade route restrictions due to existing military conflicts (for example in the Persian Gulf).

Industry and market risks

Competition, buying power on the customer side and cycles in the wafer market

The wafer industry is characterized by phases of imbalance between supply and demand, which can regularly have an impact on prices. Due to potential fluctuations, the forecasts of sales volumes and prices can be subject to major uncertainty because of change in demand. Existing and new competitors, especially from China, may be able to expand production capacities earlier or more than expected and threaten our strategic goal of at least maintaining our market share. We may be forced to reduce our sales volumes and prices without being able to reduce our costs accordingly. We generate more than two-thirds of our sales with our top 10 customers. Should major customers significantly reduce or even terminate their orders with us, this could have a significant negative impact on our net assets, financial position and results of operations.

We lower the risks by increasing flexibility in production and by managing costs rigorously. We adjust our capacities to market conditions and are continuously improving the efficiency of manufacturing and business processes in order to reduce the cost base. We have entered into long-term purchase agreements with various customers with a term of several years, set minimum purchase quantities and prices or price ranges.

Investment risks
Changes in customer demand and/or to the original assumptions about the market might not be reflected in our capital expenditure quickly enough or may lead to poor investments. Possible delays in the start-up of production lines could result in our inability to fulfill supply contracts and lead to declining sales and earnings or loss of market share.

Unplanned expenditure increases may impact our liquidity and future operating earnings through higher depreciation expense. Possible misinvestments may lead to idle capacity costs or impairment losses on investments with negative effects on earnings. The market assumptions on which the investment decision was based may not be achieved and lead to negative effects on earnings, net assets and financial position.

With our experience in project planning for new production sites, in assembly and construction supervision, in project controlling and in commissioning, we ensure that projects are completed on time and on budget as far as possible. We have a wide range of measures in place to counter investment and liquidity risks. We release investments only in partial stages. Intensive project controlling serves to minimize or exclude time delays. We reduce our investment risk through long-term purchase and financing commitments with our customers.

A subdued market development combined with a decline in demand for technologically oldest products could necessitate the shutdown of production lines or parts thereof in the future. This could result in minor impairments of fixed assets and closure costs such as severance payments for employees.

Product development risks
Rapid changes in our customers' preference and demands require us to adapt to new and more advanced technologies as well as product specifications and wafer sizes. In addition, customers for silicon wafers have stringent product requirements. All this results for Siltronic in the need for constant technological progress. For this it is possible that Siltronic will not be able to respond quickly enough and/or customers may not accept our developments as well as manufacturing processes. This increases the risk that Siltronic will not be able to adequately support market developments. In addition, there is a generic risk that market trends will be misjudged, especially if different silicon-based semiconductor materials compete with each other or with non-silicon-based semiconductor materials for certain electronic components in the market.

We minimize the risks arising from our development work by carrying out certain developments in cooperation with customers. At the same time, we keep a close eye on the market and our competitors, meet with customers and suppliers, and regularly attend conferences of significance to our business. We collaborate with universities and research institutions on our R&D projects and make targeted investments to evaluate and take into account the latest trends in technology and product development. We use systematic project management methods for our development projects. Specific project milestones and clear approval processes help us to detect project risks at an early stage and respond appropriately.

Procurement market risks

Raw materials, energy, other secondary materials, equipment and spare parts are only offered by a limited number of suppliers. Due to general cost pressure and complexity, cooperation will become increasingly intensive, and interdependencies will increase. High demand for semiconductor products can lead to price increases and supply problems at our suppliers. The effects of the downward trend in energy prices may not be as strong as expected and could have a negative impact on our profits.

To meet our Climate Action Plan, we need electricity from renewable sources. Since we will not be able to generate the electricity we need for our production, we are dependent on the energy markets. In Singapore, the availability of renewable energy from the state and from regional energy suppliers is still in its early stages. If this development is much slower than we expect in the coming years, there is a risk that we will be late in meeting the targets set out in the Climate Action Plan or that the expected costs for achieving the targets will be exceeded.

There is a risk that we will not be able to pass on the full impact of price increases to our customers. Delays and interruptions in the global supply chain as a result of economic and geopolitical developments, pandemics, extreme weather events, or cyber incidents, in addition to quality issues, supplier failures, and unexpected price increases, may lead to negative impacts on production, sales, and earnings, and necessary qualification of new suppliers may take a longer time.

We select our suppliers carefully and follow a stringent process of risk identification and reduction in order to limit the risk of supplier failures. We define systematic procurement strategies for strategic raw materials and resources, as well as critical equipment and services, each year – and on an ad-hoc basis if required – that include an assessment of procurement risk. In addition, we conduct risk-oriented audits of our suppliers. If procurement risk is considered to be significant, we implement appropriate countermeasures wherever possible, e.g. long-term supply agreements and the establishment of alternative suppliers or safety stocks. We counter electricity price risks with structured procurement. We have hedged electricity prices in Singapore in part with derivatives.

We procure supplies and services from Wacker Chemie AG at the Burghausen site, as well as polysilicon, a raw material that is important for us. If we had to build up corresponding capacities ourselves or commission alternative suppliers, this could lead to time delays and additional costs.

We have secured the supplies and services from Wacker Chemie AG based on long-term contracts. Suitable notice periods have been agreed. In particular we purchase polysilicon from Wacker Chemie AG under a long-term agreement. The price development of polysilicon depends on the economic development in the semiconductor and solar industries. There is a risk that we will not be able to pass on rising polysilicon prices to our customers. To minimize failures in the supply of polysilicon, several production facilities of Wacker Chemie AG and other suppliers were qualified.

Product liability, production and safety risks

Errors can occur during production, storage, and transportation, leading to product defects, personal injury, damage to property, or environmental damage. Our manufacturing process is highly complex and requires state-of-the-art facilities that are continually upgraded in order to meet customers' high demands in relation to specifications, quality (performance, stability, and continuous improvement), and price. The smallest variances in supplier performance can lead to considerable losses for customers, along with damages claims, a reduction in orders, and even the termination of customer relationships. In addition, they entail expensive product recalls and recertification processes. The possible resulting harm to our reputation may also adversely affect our future business performance.

Siltronic places particularly high importance on ensuring high quality standards in order to prevent defects in quality. The Company uses the integrated management system (IMS) along with process control and monitoring systems based on the IMS in order to manage its processes. It defines the processes and responsibilities and takes account of quality, adherence to customer specifications, safety, environmental protection, and health in equal measure. The IMS is founded not only on statutory requirements but also on national and international standards, such as IATF 16949, ISO 9001 (quality), ISO 14001 (environment), ISO 45001 (health and safety), ISO 50001 (energy), ISO/IEC27001 (information security), RBA (Responsible Business Alliance) and Global Compact, which go far beyond the standards required by law. To mitigate quality risks, we use Lean Six Sigma methodologies to prevent, problem-solve, and continuously improve our production processes.

Production interruptions can be caused by various internal and external factors, such as technical malfunctions, accidents, fire, problems in the local supply chain, pandemics, and natural disasters. In order to avoid such production interruptions, we take extensive precautions at the respective sites and have drawn up business continuity plans for each site in the event of disruptions. In some cases, specific customer products are qualified at several locations. Disruptions at our largest and most efficient production site, Singapore, are particularly critical. In the long term, physical climate risks could also negatively affect our production, such as an increased rise in temperature, water shortages or local extreme weather events that affect our production or lead to increased costs.

Through extensive maintenance controls, ongoing inspections and audits, we try to ensure the highest possible operational and occupational safety at our production sites. In order to ensure the safety of the sites, we carry out extensive safety and risk analyses from conception to commissioning and derive necessary improvement measures from this. In the event of damage, hazard response plans at each Siltronic site govern the cooperation of internal and external emergency services as well as with the authorities. We have adequately insured insurable risks.

Siltronic attaches great importance to the occupational safety and health of its employees. Detailed information on the strategy, responsibilities and measures for occupational safety can be found in the ESG report.

If, despite all precautions, our measures are not sufficient, this could have a negative impact on our earnings, net assets, financial position and reputation.

Legal and regulatory risks

General legal risks (see also ESG report)
Improper behavior by employees poses a risk that Siltronic will violate applicable laws and be exposed to protracted legal disputes. This could have a negative impact on our operations, leading to heavy fines, damages, legal fees and reputational damage. To counteract this, Siltronic bases its decisions on intensive research and legal advice. Siltronic has also implemented a comprehensive compliance management system that is based on the systematic recording of company-specific risks and is continuously being further developed. It is intended to prevent, detect and remedy compliance violations. Further information is contained in the ESG report.

As a technology company, Siltronic AG is particularly reliant on the protection of its intellectual property and thus pursues a patent strategy that supports this. If required, we call in external legal specialists. Our Intellectual Property department protects and monitors patents and trademarks. Before starting research and development projects, we investigate whether existing third-party patents and other third-party intellectual property rights could hamper us in marketing newly developed products, technologies and methods.

Increasing, frequent and rapidly changing trade restrictions and economic sanctions, as well as the associated increasing complexity and conflicting regulations, also pose an increasing risk that these regulations will not be fully complied with. This could result in fines and fines, as well as reputational damage and claims for damages. To effectively enforce export control measures and avoid sanctions and penalties, we have established a central export control department. Key organizational measures include the appointment of local responsible persons as well as global review processes and approval routines.

We limit legal risks with the support of our legal and subject departments. If necessary, we call in specialized external legal experts. To reduce the risk of violations of the law, we rely on comprehensive compliance programs and targeted compliance campaigns. The current Code of Conduct defines binding rules of conduct for all employees. Further information is contained in the ESG report.

Tax risks
We operate in various countries and are therefore subject to different tax systems. Tax risks arise in particular from divergent interpretations by tax authorities in the case of cross-border transactions (so called transfer prices). This may result in additional tax expense due to penalties and interest payments.

Tax risks are identified, regularly monitored and assessed by the tax department and necessary measures are taken.

Environment-related risks (see also ESG report)
Siltronic is subject to a number of local environmental laws and regulations, primarily relating to the storage, handling, disposal, emission and registration of hazardous substances. This could expose us to liability for environmental damage. If environmental laws are changed, this can lead to further burdens at our sites.

In its mission statement, Siltronic has formulated its responsibility for environmental protection, safety and health and communicated globally binding principles and strategies.

The most important measures Siltronic takes to counter environmental risks are:

- Processing of relevant topics by specialists. They are grouped together in the "Environment, Health and Safety" department. This ensures in particular the proper handling of hazardous waste. Further information is contained in the ESG report.
- Maintenance routines and ongoing inspections of equipment
- Preparation of emergency plans, which are regularly reviewed and trained.
- Compliance with administrative procedures in the U.S. in an area where Siltronic's U.S. site is located that has been used industrially for approximately 100 years. Further information is contained in the ESG report.
- Acquisition of insurance policies.

Energy, climate and water-related risks (see also ESG report)
Wafer production is water and energy intensive. More restrictive regulation with regard to water and energy supply can affect our production or increase the effort. The regulatory environment that is relevant to us has been characterized by stricter laws in recent years. We think it is possible that further burdens will follow, also supported by different public interest groups.

We are monitoring regulatory efforts very closely in order to be able to assess possible effects for us at an early stage. We consider the risk of civil lawsuits by private individuals or NGOs against Siltronic in the area of climate protection to be negligible.

Further information is contained in the ESG report.

Social risks in the supply chain (see also ESG report)
This heading summarizes potentially material negative impacts of working conditions for workers at companies in the upstream value chain. These effects may include violations of legal requirements or standards in working hours, remuneration, social dialogue and freedom of association, occupational health and safety, equal treatment and equal opportunities. Interest in such issues has increased among some stakeholders in recent years.

Siltronic counters these risks through supplier evaluations or audits. Our goals and activities are aimed at reducing potential impacts in this regard.

IT, data and cyber risks

Information security is highly threatened by attacks on IT systems supporting business and production processes as well as systems for communication and collaboration. Disruptions, defects, manipulations or delays in IT functions and communication systems as well as the loss of data would therefore have a considerable adverse impact on our financial performance, and reputation.

Siltronic checks its IT constantly and puts a high focus on ensuring that the IT-supported manufacturing and business processes run securely. Our IT security and risk management team has the task of controlling threats in a financially viable manner. Our information security management system covers all areas of the Company and has successfully undergone ISO/IEC 27001 certification in the 2024 financial year. Using a risk analysis, we define the requirements for our central systems with regard to the availability, confidentiality, and integrity of data. We have specified these requirements in service level agreements (SLAs) with our service providers. We monitor and verify compliance with the SLAs on an ongoing basis. We have taken appropriate precautions in case of emergencies. Our global information security service providers protect us from threats of data loss, integrity, and confidentiality, and escalate particularly critical incidents to the internal Siltronic Information Security team as part of firmly defined processes. Awareness programs are carried out by Siltronic's Information Security Team.

HR risks

The lack of committed and qualified specialists and managers can have a negative impact on the Company's further growth and technological lead.

We limit personnel risks through various personnel policy measures. These include in particular our performance management process and the development plans derived from it. Increased HR marketing and recruitment activities, for example via social media, directly at educational institutions and at recruiting fairs, are further key tools to minimize HR risks and develop a sustainable HR strategy. In Germany, we train apprentices ourselves in technical and commercial professions. We also offer dual study places in Germany to cover our medium-term requirements for engineers and IT specialists internally. We also offer a wide range of training and development opportunities, good benefits and performance-based compensation. Succession planning for key positions is in place throughout the Group.

Pension risks

Our employees are sometimes granted pensions and occupational pensions after termination of employment. Pension obligations may increase due to the increasing life expectancy of eligible employees, additional obligations from salary and pension adjustments, and decreasing discount factors.

The majority of company pension commitments in Germany are covered by the Wacker Chemie VVaG pension fund. In addition, we have set up a trust fund to secure pension obligations from direct commitments, deferred compensation and pension adjustments from the basic pension on a pro rata basis. In the USA, protection is provided by pension funds. In order to ensure a sufficient return on assets and limit investment risks, the investment portfolio is diversified. As one of the pension fund's member companies, Siltronic makes needs-based financial contributions to the pension fund. There is a possibility that the interest on the capital employed will not be sufficient to finance all future payments. In this case, further special payments can be expected to weigh on our liquidity.

For further information relating to pension risks, please refer to Note 11 Provisions for pensions and similar obligations.

Financial risks

Credit risks
Due to the use of financial instruments and investments and our large credit balances with banks, we are exposed to the risk of default on the part of financial institutions. We contain our counterparty risk by entering into financial instruments and investments only with investment-grade counterparties and by limiting the individual transaction volumes and terms to maturity.

Consolidation in the semiconductor industry is leading to increasing concentration on larger customers. We use various instruments to reduce the risk of default. Our receivables management team regularly assesses customers' credit standing. Default risk is contained using defined credit limits and in selected cases bank guarantees. We strive to make our customer base as diversified, balanced, and solid as possible.

Market price/currency- and energy price risks
The vast majority of our revenues are generated in US dollars. The Japanese yen also plays a role. Costs, on the other hand, are mainly incurred in euros and Singapore dollars. Exchange rate movements thus affect sales, earnings, liquidity, and the measurement of financial assets/liabilities and financial instruments used to hedge currency risk.

We use financial instruments to address and manage the financial requirements and risks that are a necessary part of our operating activities. Hedging is based both on operating activities that have already been posted and on future cash flows. The fact that we have production facilities outside the eurozone also helps us to counter currency risk. Translation risk, i.e. valuation risk resulting from the translation of line items in foreign currency on the statement of financial position, is not hedged.

To a small extent, we hedge electricity prices in Singapore against fluctuations using derivative financial instruments.

An overview of the derivative financial instruments held at the balance sheet date and supplementary descriptions of the management of financial risks are provided in Note 16 to the consolidated financial statements.

Liquidity-, financing- and interest rate risks
For large investment projects, we require external financing. If the prices of important building materials, equipment and construction services rise, our liquidity can be put under considerable strain.

As a result of the financing we have raised, we are exposed to interest rate risks to a minor extent arising from floating-rate loan liabilities. A summary list of the financial resources existing as of the balance sheet date can be found in Note 16 to the consolidated financial statements.

In addition to other obligations, some of the loan agreements concluded also stipulate compliance with financial covenants. Failure to comply with these covenants would mean that the lenders could demand immediate repayment or termination of the credit line. The financial covenants have been complied with at all times.

We closely monitor the development of the financial covenants and have an efficient cash and cost management system in place. This allows us to take timely measures to ensure compliance.

Opportunity report

We see a variety of opportunities for maintaining our successful growth over the coming years. We use various market observation and analysis instruments to identify opportunities at an early stage, such as tools for the continuous structured evaluation of market data, industry data, and competitor data. Close contact with our customers also helps us to assess future opportunities. KPIs (rolling forecasts and reporting of actual figures) enable us to ascertain whether, and to what extent, identified opportunities are being realized.

Strategic opportunities of significant importance – such as adjustments to the strategy or possible acquisitions, alliances, and partnerships – are dealt with at Executive Board level as part of the annual strategy development and planning process or, in the case of current matters, during the regular Executive Board meetings. Various scenarios and risk/reward profiles are prepared for these opportunities to provide a basis for decision-making.

Macroeconomic and industry-specific opportunities

Transformation through climate change
Global climate change has increased the importance of renewable energies, electromobility has made its way from a niche existence to a wider range of private transport, and the energy efficiency of electronic devices is playing an increasingly important role (the latter can be seen, for example, in the use of screens, in the operation of computers in data centers or in lighting).

Semiconductors are used in the generation and distribution of renewable energies. They are part of electromobility and make a significant contribution to increasing the efficiency of electronic devices. Since the vast majority of these semiconductors are obtained from the transformation of silicon wafers, climate change brings opportunities for Siltronic.

From discussions with our major customers, we know that they observe and evaluate the CO_2 footprint of their major suppliers in addition to their own CO_2 emissions. That is why we compare our CO_2 footprint with those of our competitors. We see ourselves very well positioned here.

More than a quarter of our sales are accounted for by wafers, from which customers produce chips to efficiently convert voltage or current. More than half of our sales are attributable to technologically advanced wafers, which are transformed into energy-efficient chips for memory and computing applications.

We do not see our business model negatively affected by climate change. In order to achieve the global CO_2 targets, semiconductors are an important contribution to the efficient use of renewable energy sources and to increasing energy efficiency. Semiconductors, for example, optimize the generation and distribution of renewable energies, reduce power consumption in technical devices and support the transformation to electric cars. Efficient use is forcing industry to develop ever smaller and more powerful components.

Growth in Asia and other emerging markets
The increasing prosperity in Asia and in the emerging markets in other regions is driving demand for higher-value products in which semiconductors are used. The focus region for us remains Asia in order to secure our profitability in the long term and to grow further. With the investment decision for Singapore, our new fab is in close proximity to a large number of customers.

Digitalization
Digitalization is permeating more and more areas of our lives. The focus is particularly on the automotive industry, industrial applications, smartphones, artificial intelligence, data centers and consumer electronics. We want to support this growth with innovative products. In addition to the rising volume of data, the increasingly complex and diverse requirements placed on electronic components and the resulting increase in area requirements per component are a key growth driver. Technical progress in the semiconductor industry is based on the ongoing development of components. This results in ever smaller, more powerful and more efficient components and lower costs per performance unit. To make this possible, the technological specifications for our wafers are increasing.

Long-term supply contracts
The main drivers of profitability are the prices achievable on the market and the utilization of existing capacities in the capital-intensive environment of wafer producers. In the short term, these are influenced by fluctuations in customer demand and their inventories, in the medium to long term by the investment decision of wafer producers and the generally increasing consumption of wafer area. We have entered into long-term supply contracts with several major customers with increasing purchase volumes over several years. This helps to finance the investment in Singapore and to secure the additional production.

Favorable exchange rates
Favorable exchange rates also have a positive effect on our earnings situation. The vast majority of our sales are generated in US dollars. The Japanese yen also plays a role. Costs, on the other hand, are mainly incurred in euros and Singapore dollars.

Presence with the leading wafer consumers
With our product portfolio, we serve the leading consumers of silicon wafers for the semiconductor industry. The growth in demand for silicon wafers for the semiconductor industry has been driven by a broad application base. We expect demand to be solid in the traditional application areas of smartphones, PCs and consumer electronics. In addition, we expect demand for silicon wafers to increase disproportionately due to megatrends such as artificial intelligence, digitalization and electromobility. With our broad product portfolio, we can serve these global future topics. By diversifying our products into more and more applications and industries, we expect the semiconductor market to show less short-term cyclical demand fluctuations in the future and to evolve into a more stable market.

Strategic and business-performance opportunities

Investments in organic growth
The new 300 mm factory in Singapore is an important contribution to supporting the strong growth and expansion projects of our customers.

Stay amongst the technology leaders
We firmly believe that we can successfully participate in the further chances and opportunities of our industry, as we continuously develop new technological solutions for our customers. Wafers are being used for increasingly smaller structures, also known as design rules, which are now in the range of a few nanometers. This enables the production of ever more powerful and energy-efficient generations of semiconductor chips. We are involved in joint development projects with a large number of customers in order to be a key partner in the introduction of new applications.

Continuous improvement to cost structures
We are continuously implementing cost-cutting programs and making targeted investments in the automation of existing systems and processes in order to further optimize our cost position. The capacity expansion with the new factory in Singapore will enable us to further improve our cost position. Together with our two very modern and cost-efficient fabs in Singapore, we can achieve further economies of scale through synergies.

New applications and material properties
Due to the high availability of silicon and its special material properties, we assume that substitute materials will only be used in special applications. Based on the continuous development of technical possibilities and applications at our customers, we are constantly evaluating the market in order to identify and exploit new fields of application and opportunities at an early stage.

The Executive Board's assessment of overall risk

The Group's risk profile did not change significantly in the year under review. At the time this report was published, the Executive Board of Siltronic had not identified any individual or aggregate risks that could seriously jeopardize the Company's ability to continue as a going concern.

Risk Assessment for 2025

	Risk Assessment			
Risk	Low	Medium	High	Changes compared to previous year
Overall environment				
Economic development			•	→
Geopolitical tensions, wars and trade restrictions			•	→
Industry and market risks				
Competition, customer buying power, cycles in the wafer market			•	→
Investment risks		•		→
Product development risks		•		→
Procurement risks		•		→
Product liability, production and safety risks		•		→
Legal and regulatory risks				
General legal risks		•		→
Tax risks	•			→
Environment related risks	•			→
Energy-, climate- and water related regulations		•		→
Social risks in the supply chain	•			new
IT, data and cyber risks			•	→
HR risks		•		→
Pension risks		•		→
Financial risks				
Credit risks	•			→
Market price, currency and energy price risks			•	→
Liquidity, financing and interest rate risks			•	→

We assess the relevant risks according to the probability of occurrence and the degree of impact on business activities, net assets, financial position, results of operations and cash flow. For better readability, we have classified risks according to the following matrix:

		Probability of occurrence		
Risk assessment		< 25 percent	25 – 75 percent	> 75 percent
Effects on the development of the Group's net assets, financial position and result of operations	< EUR 10 mn	Low	Low	Medium
	EUR 10 – 50 mn	Low	Medium	High
	> EUR 50 mn	Medium	High	High

Outlook

Expected macroeconomic trends

The International Monetary Fund (IMF) expects global growth of 3.3 percent for the year 2025 in its January 2025 report. This growth is below the historical average of 3.7 percent from 2000 to 2019.

Progress in reducing inflation is expected to continue. Along with the projected decline in energy prices, overall inflation is likely to further approach the central banks' targets. The gap between expected interest rates in the US and other countries could widen further. According to the IMF, an intensification of protectionist measures, such as a new wave of tariffs, could exacerbate trade conflicts, hinder investments, reduce market efficiency, distort trade flows, and disrupt supply chains again. Growth could be affected in the short and medium term, albeit to varying degrees in different economies.

In established economies, economic growth is expected to increase by 0.2 percentage points to an estimated 1.9 percent in 2025, according to the IMF. In the Eurozone, growth of 1.0 percent (2024: 0.8 percent) and in Germany, growth of 0.3 percent (2024: -0.2 percent) is forecast, indicating a slightly positive development.

For Japan, the IMF expects moderate growth of 1.1 percent in 2025, following a decline of 0.2 percent in 2024. For China, the IMF forecasts growth of 4.6 percent in 2025, slightly down from 4.8 percent in 2024. This decline is attributed, among other things, to weak domestic demand and ongoing challenges in the real estate sector.

The market for silicon wafers for the semiconductor industry is expected to grow by 6 percent in 2025.

Sources:
IMF (World Economic Outlook update, January, 2025)
Omdia Silicon Demand Forecast (January 20, 2025)

Siltronic’s future performance

Siltronic does not plan any significant changes to its corporate goals and strategy. We will continue to strengthen our position as a technology leader, focus on the power segment, grow organically, and maintain our high-quality performance. Operational excellence and increasing cost efficiency to enhance profitability will remain key focuses, along with improving cash flow.

The most important financial performance indicators are:

- EBITDA margin
- EBIT
- Net cash flow

The megatrends in the semiconductor industry lead us to expect a significantly increasing demand for wafers in the medium to long term. Despite ongoing end-market growth, we do not expect an improvement in sales development in the short term. The slow reduction of inventory levels at chip manufacturers and their customers will continue in 2025, leading to postponed agreed delivery volumes or lower-than-usual orders for unagreed quantities.

The Executive Board expects the financial year to develop as follows:

Sales
Sales in 2025 are forecast to be in the region of the previous year, assuming unchanged exchange rates (EUR/USD: 1.08). The first half of 2025 is expected to be in the high single-digit percentage range below the second half of 2024. The recent development of the euro against the US dollar could help mitigate this effect.

The sales forecast takes into account the cessation of production for polished and epitaxial wafers with diameters up to 150 mm in Burghausen, which is scheduled for July 31, 2025. This will have a slightly negative effect on sales and a negligible effect on earnings compared to the previous year.

EBITDA margin
The EBITDA margin is expected to be in the range of 22 to 27 percent. The costs for ramping up the new fab will be partially offset by savings in energy and other areas.

Depreciation
Depreciation and amortization is expected to increase to EUR 380 to 440 million in 2025, mainly due to the planned start of the depreciation of major parts of the new fab in Singapore around mid-2025.

EBIT
Due to higher depreciation, we expect EBIT to decrease significantly compared to the previous year.

Capex
In 2025, we expect a significantly reduced capex including intangible assets of EUR 350 to 400 million. Beyond the capacity expansion in Singapore, our investment projects will focus on improving the product mix, ensuring capabilities (keeping up with technological progress), cost efficiency, and maintenance.

Net cash flow
Net cash flow is expected to improve significantly compared to the previous year but will remain significantly negative.

The actual development of the Group may deviate positively or negatively from our assumptions due to economic and geopolitical uncertainties.

Overall statement by the Executive Board on expected performance

The Executive Board expects that Siltronic will continue to operate resiliently in the market in 2025 at the time of preparing the combined management report 2024.

Due to the persistently high inventory levels in the downstream value chain, a cautious start is expected for 2025. The first six months of 2025 are forecast to be below the level of the second half of 2024. For the second half of 2025, we currently expect an improvement in the demand situation, supported by customer-side volume shifts from long-term agreements from the first to the second half of 2025.

We are convinced of the underlying medium- and long-term growth trend in the wafer industry, supported by a wide range of end applications. Megatrends such as Artificial intelligence, Digitalization, and Electromobility are growth drivers for the semiconductor industry. In anticipation of increasing demand, our customers are also implementing extensive expansion plans. In the short term, however, the still elevated inventory levels at chip manufacturers and their customers will lead to a further delay in the expected improvement in sales development. This also affects our mid-term ambition to achieve sales of more than EUR 2.2 billion and an EBITDA margin in the high 30’s by 2028. Achieving this ambition will likely only be possible after 2028.

Regardless of the underlying growth trend in our industry, geopolitical and global economic developments may weigh on the guidance for 2025.

Guidance for 2025

EBITDA margin	22 to 27 percent
EBIT	significant decline
Net cash flow	Considerably improved compared to the previous year, but remains significantly negative
Sales	In the region of the previous year, no growth compared to the previous year expected (EUR/USD: 1.08)
Depreciation	EUR 380 to 440 million
Capital expenditure	EUR 350 to 400 million

Disclosures relevant to acquisitions

(pursuant to Section 289a and Section 315a German Commercial Code (HGB)) and explanatory report

Composition of subscribed capital (Section 289a para. 1 no. 1, 315a para. 1 no. 1 HGB)

The subscribed capital of Siltronic AG amounts to EUR 120 million and is divided into 30 million no-par-value shares, each with an imputed share of capital amounting to EUR 4. The shares are registered shares. All the shares are of the same type; each share has the same rights attached to it and allows one vote at the Annual General Meeting.

Restrictions on voting rights or the transfer of shares (Section 289a para.1 no. 2, 315a para. 1 no. 2 HGB)

The members of the Executive Board are obligated to purchase shares equivalent to 50 percent of their annual base salary (gross amount) and to hold them for the duration of their appointment to the Executive Board (Share Ownership Commitment). The value of the shares at the time of purchase is decisive. The current members of the Executive Board, Dr. Heckmeier and Ms. Schmitt, fulfill the shareholding obligation. The current member of the Executive Board, Mr. Buchwald, has a three-year build-up phase from his appointment to fulfill the shareholding obligation. The Executive Board members continue to be entitled to voting and dividend rights during the holding period.

We are not aware of any other contractual restrictions relating to voting rights or the transfer of shares.

The Articles of Association of Siltronic AG do not restrict the transferability of shares. However, there may be restrictions on the shares' voting rights imposed by the German Stock Corporation Act (e.g. Section 136 of the German Stock Corporation Act (AktG)) or as a consequence of the disclosure requirements pursuant to the German Securities Trading Act (WpHG) being violated. In accordance with Section 67 (2) of the German Stock Corporation Act (AktG), the parties deemed to be shareholders of Siltronic AG are those parties entered as such in the share register. Pursuant to Section 67 (4) of the German Stock Corporation Act (AktG), Siltronic AG is entitled to demand information from the persons entered in the register as to whether the shares that are entered as held by them in the register actually belong to them and, if this is not the case, to demand information on who the shares are held for, as required in order to maintain the register. Until this demand is met, the voting rights attached to the shares are suspended (Section 67 (2) of the German Stock Corporation Act (AktG)).

Shareholdings in the Company that represent more than 10 percent of the voting rights (Section 289a para. 1 no. 3, 315a para. 1 no. 3 HGB)

The Company has been notified of the following direct and indirect shareholdings in the Company that represent more than 10 percent of the voting rights:

- Wacker-Chemie AG (Munich, Germany): 30.83 percent
- Dr. Alexander Wacker Familiengesellschaft mit beschränkter Haftung (Munich, Germany): 30.83 percent (allocated via Wacker Chemie AG)
- Sino-American Silicon Products Inc. (Hsinchu/Taiwan): 13.67 percent

Shares with special rights that confer authority to exert control over the Company (Section 289a para. 1 no. 4, 315a para. 1 no. 4 HGB)

Shares with special rights conferring control powers were not issued.

Type of voting right controls in cases where employees hold shares in the Company and do not exercise their control rights directly (Section 289a para. 1 no. 5, 315a para. 1 no. 5 HGB)

In case employees hold shares in Siltronic AG, they exercise their resulting control rights directly in accordance with the statutory provisions and the Articles of Association.

Appointment and removal of members of the Executive Board and amendments to the Articles of Association (Section 289a para. 1 no. 6, 315a para. 1 no. 6 HGB)

Pursuant to Section 5 of the Articles of Association, the Executive Board of Siltronic AG must consist of a minimum of two persons. In other respects, the Supervisory Board determines the number of Executive Board members. The Supervisory Board appoints one member of the Executive Board as President & Chief Executive Officer. The appointment and removal of members of the Executive Board are governed by Section 84 et seq. of the German Stock Corporation Act (AktG) and Section 31 German Co-Determination Act (MitbestG).

Changes to the Articles of Association are governed by Section 179 et seq. of the German Stock Corporation Act (AktG), which stipulates that all changes to the Articles of Association require a resolution to be adopted by the Annual General Meeting. However, the Supervisory Board is authorized in Section 9 (2) of the Articles of Association to make changes that relate solely to the wording.

The Supervisory Board is also authorized to amend Section 4 (6) of the Articles of Association accordingly after the Authorized Share Capital 2020 has been utilized or the period for the utilization of the Authorized Share Capital 2020 has elapsed. Furthermore, the Supervisory Board is authorized to amend Section 4 (7) of the Articles of Association in accordance with each utilization of the Conditional Capital 2020 and after all option and conversion periods have elapsed.

Pursuant to Section 179 (2) of the German Stock Corporation Act (AktG), resolutions to amend the Articles of Association adopted by the Annual General Meeting require a majority of at least three quarters of the share capital represented during the voting, unless the Articles of Association specify a different majority. In accordance with Section 18 (2) of the Articles of Association, resolutions at the Annual General Meeting are passed by simple majority of the votes cast and by simple majority of the share capital represented in the voting if a majority of the share capital is required, unless the law or the Articles of Association require otherwise. The law requires a greater majority of three quarters of the share capital represented in the voting in several cases, such as when changing the objects of the company (Section 179 (2) sentence 2 of the German Stock Corporation Act (AktG)), capital measures and the exclusion of subscription rights.

Authority of the Executive Board to issue and buy back shares (Section 289a para. 1 no. 7 Section 315a para. 1 no. 7 HGB)

On the basis of a resolution of the Annual General Meeting on June 26, 2020, the Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period up to June 25, 2025 by up to a total of EUR 36 million by issuing new registered no-par-value shares for cash or non-cash contributions (Authorized Share Capital 2020). In general, the shareholders are to be granted a subscription right. The shares may also be subscribed in whole or in part by one or more credit institution(s) or companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders of the Company for subscription (so called indirect subscription right). The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights for one or several capital increases from the Authorized Share Capital 2020,

- to exclude fractional amounts from the subscription right;

- in case of capital increases in return for cash contributions, if the issue price of the new shares is not significantly below the stock exchange price for the shares of the same class already listed and the aggregate pro rata amount of the share capital attributable to the new shares issued with the exclusion of the subscription right does not exceed 10 percent of the share capital existing on the date on which this authorization takes effect and on the date in which the authorization is being exercised. This limit of 10 percent of the share capital shall include shares that were issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG); it shall also include shares that can be or are to be issued by the Company to service conversion or option rights or to fulfill conversion or option obligations arising from Bonds, provided that the Bonds are issued during the term of the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) (mutual offset);

  to the extent necessary to be able to grant new shares in the Company to holders or creditors of Bonds that were or will be issued by the Company or by its subordinate Group companies upon exercise of conversion or option rights or upon fulfillment of a conversion obligation, and insofar as necessary to grant a subscription right to new shares in the Company to holders of conversion or option rights or to creditors of conversion bonds with conversion obligations that were or will be issued by the Company or its subordinated Group companies, to the extent that they would be entitled to such rights as shareholders after exercising their option or conversion rights or after fulfilling conversion obligations;

- in the event of a capital increase against contributions in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses, operations, parts of businesses, equity interests, investments or other assets or claims to the acquisition of assets, including claims against the Company or its Group companies; and

- in order to implement a scrip dividend where shareholders are entitled to tender their dividend rights (in whole or in part) as a contribution in kind against issuance of new shares under the Authorized Share Capital 2020.

The sum total of shares issued on the basis of the Authorized Share Capital 2020 under exclusion of shareholders' subscription rights, taking into account other shares of the Company that are sold or issued during the term of the Authorized Share Capital 2020 under exclusion of subscription rights or are to be issued on the basis of Bonds issued during the term of the Authorized Share Capital 2020 under exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10 percent, neither at the time the Authorized Share Capital 2020 takes effect nor at the time it is utilized (mutual offset).

By resolution of the Annual General Meeting on June 26, 2020 and subject to the consent of the Supervisory Board, the Executive Board is authorized to issue once or several times on or before June 25, 2025 holder and/or registered convertible bonds and/or option bonds, profit participation rights and/or participating bonds (or a combination thereof) (hereinafter collectively also referred to as "Bonds") for a total nominal amount of up to EUR 500,000,000.00 and to grant the holders or creditors of Bonds conversion and/or option rights or obligations of up to 3,000,000 new no-par value ordinary registered shares of the Company with a proportionate amount of the share capital of up to EUR 12,000,000.00 according to the more detailed terms and conditions of the Bonds ("Bond Terms and Conditions") ("2020 Authorization").

The sum total of the shares which are, may be or are to be issued to service conversion and/or option rights or to fulfill conversion or option obligations arising from the Bonds, and the shares issued during the term of this 2020 Authorization using the Authorized Share Capital 2020, shall not exceed an amount of the share capital of EUR 36,000,000.00 (corresponding to 30 percent of the current share capital) (mutual offset). The shareholders are generally entitled to a subscription right to the Bonds. However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription right to the Bonds in the following cases:

- for fractional amounts resulting from the subscription ratio;

- if the Bonds with option or conversion rights or obligations are issued against cash payment and are equipped in such a way that their issue price is not significantly lower than their theoretical market value determined in accordance with recognized principles, in particular those of financial mathematics. However, this authorization to exclude subscription rights only applies to Bonds with option or conversion rights or option or conversion obligations for shares with a proportionate amount of the share capital that may not exceed 10 percent of the Company's share capital. For the purpose of calculating the 10 percent limit, the amount of the share capital at the time this authorization takes effect or - if this value is lower - at the time this authorization is exercised, shall be decisive. This limit of 10 percent of the share capital shall include shares which are issued or sold during the term of this authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) up to the time of its utilization or which are issued to service subscription rights or to fulfill conversion obligations arising from Bonds, provided that the corresponding Bonds are issued after this authorization takes effect in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), excluding shareholders' subscription rights;

- insofar as the Bonds are issued in return for a contribution in kind, in particular in the context of corporate mergers or for the (also indirect) acquisition of businesses or other assets, including receivables from the Company or its Group Companies, provided that the value of the contribution in kind is in reasonable proportion to the market value of the Bonds;

- insofar as this is necessary in order to grant the holders or creditors of previously issued Bonds a subscription right to the extent to which they would be entitled as shareholders after exercising an option or conversion right or after fulfilling an option or conversion obligation.

  The total number of shares that can be issued on the basis of the utilization of the Authorization 2020 to issue Bonds with option or conversion rights or obligations with the exclusion of shareholders' subscription rights, taking into account other shares of the Company that are sold or issued during the term of the Authorization 2020 with the exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10 percent, either at the time the Authorization 2020 becomes effective or at the time it is utilized (mutual offset).

- Insofar as profit participation rights or profit participating bonds without option or conversion rights or obligations are issued, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders in its entirety if these profit participation rights or profit participating bonds are similar to obligations, i.e. do not establish membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the net income for the year, the balance sheet profit or the dividend. Furthermore, in this case, the interest rate and the issue amount of the profit participation rights or profit participating bonds must correspond to the current market conditions for comparable borrowings at the time of issue.

For the purpose of servicing the aforementioned Bonds by the Company, the Annual General Meeting on June 26, 2020 has increased the share capital of the Company by up to EUR 12 million by issuing up to 3,000,000 new no-par value registered shares ("Conditional Capital 2020"). The new shares shall be issued at the conversion or option prices to be determined in the Bond Terms and Conditions in accordance with the authorization of the Annual General Meeting.

By resolution of the Annual General Meeting on June 26, 2020, the Executive Board is authorized until June 25, 2024, with the consent of the Supervisory Board and in accordance with the legal provisions of Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), to purchase for any permissible purpose treasury shares in an amount of up to 10 percent of the share capital existing at the time of the resolution or - if this value is lower - of the share capital existing at the time of exercising this authorization. The share capital at the time the resolution was passed amounted to EUR 120 million.

At the discretion of the Executive Board, the acquisition may be carried out through purchase on the stock exchange by means of a public invitation to submit offers of sale, by means of a public offer or by granting tender rights to shareholders. The authorization of the Annual General Meeting contains different requirements for the individual types of acquisition, in particular with regard to the purchase price. The authorization may be exercised once or several times, in full or in partial amounts. The Executive Board is authorized, with the approval of the Supervisory Board, to use the treasury shares acquired on the basis of the authorization for all legally permissible purposes. In particular, they may be sold via the stock exchange or by means of a public offer to all shareholders in proportion to their shareholding (in the event of an offer to all shareholders, subscription rights for fractional amounts are excluded). They may also be sold for cash or for contributions in kind (in particular in the context of corporate mergers or for the acquisition of businesses, parts of businesses). The treasury shares may be used to fulfill or secure purchase rights or purchase obligations for shares in the Company (in connection with bonds, convertible bonds and/or option bonds). They may be used in connection with any share-based payment or employee share programs of the Company, however, the total of the treasury shares used for these purposes may not exceed a calculated proportion of the share capital of 1 percent. Treasury shares may be redeemed. The Supervisory Board is authorized to use the treasury shares to service purchase obligations or purchase rights to Siltronic shares agreed with members of the Executive Board of Siltronic AG as part of the compensation of the Executive Board. The total of the treasury shares used for this purpose together with treasury shares used for other share-based and employee share programs may not exceed a calculated proportion of the share capital of 1 percent. Except in case of a redemption, the shareholders' subscription rights to the acquired treasury shares are excluded to the extent that they are used in accordance with the above authorizations. The calculated proportion of the share capital, taking into account other shares of the Company which are sold or issued during the term of this authorization with the exclusion of subscription rights or which are to be issued on the basis of bonds issued during the term of this authorization with the exclusion of subscription rights, may not exceed a calculated proportion of the share capital of 10 percent (mutual offset).

Material agreements that are conditional upon a change of control resulting from a takeover bid (Section 289 a para. 1 no. 8, 315a para. 1 no. 8 HGB)

In May 2022, Siltronic AG and a consolidated Siltronic subsidiary entered into a guarantee facility agreement for SGD 465 million to secure a loan issued to the consolidated Siltronic subsidiary. The guarantee facility was utilized in full. In addition, Siltronic AG issued a promissory bill loan in the amount of EUR 300 million in June 2022. In September 2022, Siltronic AG concluded a EUR 200 million loan agreement, which was utilized in full, and a further loan agreement in May 2023 for EUR 380 million, which was utilized in the amount of EUR 200 million. Siltronic AG also issued a promissory bill loan in the amount of EUR 369 million in September 2024.

The aforementioned agreements provide for a right of termination by the respective lenders in the event of a change of control.

Compensation agreements in the event of a takeover bid (Section 289a para. 1 no. 9, 315a para. 4 no. 9 HGB)

There are no agreements with the Executive Board or employees of the Company that provide for compensation in the event of a takeover bid.

Declaration on corporate governance

The Executive Board and the Supervisory Board – pursuant to Sections 289f, 315d of the German Commercial Code (HGB) and principle 23 of the German Corporate Governance Code – report subsequently on corporate governance and about the Company management for the financial year 2024. Retaining the trust and confidence of our customers, business partners, employees and investors is an essential factor in achieving sustained growth in corporate value. The essential basis for this is good corporate governance, accomplished through transparent and responsible company management and supervision.

Declaration of Conformity issued by the Executive Board and the Supervisory Board of Siltronic AG pursuant to Section 161 of the German Stock Corporation Act (AktG)

Throughout the financial year 2024, the Executive Board and the Supervisory Board once again closely examined the corporate governance of the Company and the recommendations of the German Corporate Governance Code as amended on April 28, 2022. On July 24, 2024, the Executive Board and Supervisory Board issued the following Declaration of Conformity, which is available to the public on the Company's website at (*https://www.siltronic.com/fileadmin/investorrelations/corporate_governance/240724_-_Declaration_of_Conformity_July_2024.pdf*):

"The Executive Board and Supervisory Board of Siltronic AG hereby declare the following with regard to the recommendations of the "Government Commission on the German Corporate Governance Code" ("**Code**"):

Siltronic AG has complied with the recommendations of the Code in the version dated April 28, 2022, with the exception of the deviations set out and explained below since issuing its last declaration of conformity on July 25, 2023, and will comply with it with the deviations specified:

a. Membership in the Executive Board and Chairman of the Supervisory Board (Sec. C.5)

The Code recommends that a member of an Executive Board shall not accept the chairmanship in a Supervisory Board of a listed company outside the Group. This is justified in particular by the workload involved in performing those functions. The Chairman of the Supervisory Board of Siltronic AG, Dr. Ohler, is also a member of the Executive Board of Wacker Chemie AG, thus deviating from this recommendation. In principle, we welcome the Code's goal of preventing the accumulation of activities so that sufficient time can be allocated to the work of the Supervisory Board. However, Dr. Ohler has proven in the past that for him the performance of both tasks can be very well combined in terms of time and organization.

b. Independence of the Chairman of the Supervisory Board (Sec. C.10)

According to the Code, the Chairman of the Supervisory Board shall be independent of the Company. As a member of the Executive Board of Wacker Chemie AG, the Chairman of the Supervisory Board, Dr. Ohler, holds a leading position for a supplier of Siltronic AG with whom material business relations exist. According to the Code, this should be an indication of a lack of independence. In our opinion, the business relationship does not prevent him from effectively performing the role of Chairman of the Supervisory Board. In accordance with the legal requirements, the Company has established an internal procedure to regularly evaluate whether the transactions with Wacker Chemie AG are conducted in the ordinary course of business and at arm's length. In order to avoid even the appearance of a conflict of interest, the Chairman of the Supervisory Board does not participate in resolutions concerning the business relationship between Wacker Chemie AG and Siltronic AG. The handling of conflicts of interest is reported in the Supervisory Board report.

Munich, July 24, 2024

Siltronic AG

Executive Board   Supervisory Board"

Dr. Gerlinger has been a member of the Supervisory Board of Siltronic AG since March 4, 2011 and has been a member of the Company's Supervisory Board for more than twelve years as of March 2023. He therefore fulfills a dependency indicator of the Code (C.7) The plenum discussed its independence again in the reporting year. However, it still considers him to be independent from the Company and its Executive Board. In the opinion of the full Supervisory Board, Dr. Gerlinger has extensive professional experience that is necessary to ensure the continuity of the management and, in particular, the Supervisory Board's activities. In addition, Dr. Gerlinger has always participated objectively in the decision-making of the Supervisory Board and has not given any reason to doubt his independence. In order to reflect the considerations of the Code and to gradually complete the generational change on the Supervisory Board, Dr. Gerlinger will leave the Supervisory Board of Siltronic at the end of the 2025 Annual General Meeting.

Compensation Report / Remuneration System

The applicable remuneration system for members of the Executive Board pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on May 5, 2023, and the resolution adopted by the Annual General Meeting on May 5, 2023 pursuant to Section113 (3) AktG on the compensation of the members of the Supervisory Board are publicly accessible at *https://www.siltronic.com/de/investoren/hauptversammlung.html*. The compensation report and the auditor's report pursuant to Section 162 of the German Stock Corporation Act (AktG) are available in the same section of our website.

Relevant information on corporate governance practice

The Company complies with the statutory requirements relating to corporate governance. With the exceptions mentioned in the Declaration of Conformity, Siltronic follows all the recommendations of the German Corporate Governance Code.

Principles of the compliance management system

Compliance with legal requirements, laws and in-house policies as well as their observance within the Group are part of the management and supervision responsibilities at Siltronic. The Supervisory Board, in particular the Audit Committee, addresses compliance topics in each meeting and reviews the compliance management system.

The Siltronic compliance management system was developed on the basis of a regular compliance risk analysis that examines company- and industry-specific risks. This compliance management system is designed to prevent, identify, and sanction violations in the corporate context. It is regularly reviewed and improved by the Siltronic compliance organization.

The Company has appointed compliance officers in Germany, the USA, South Korea, China, Japan, Singapore, and Taiwan. They coordinate compliance activities within the Group, provide advice on the subject of compliance and are contact persons for questions and training.

Siltronic has issued an internationally applicable corporate policy that defines responsibilities, value limits and reporting channels. Particular emphasis is placed on preventing corruption, bribery and anti-competitive behavior. A risk-oriented "Know Your Business Partner" process has been defined for the screening of business partners.

Employees who have contact to business partners are required to complete an e-learning course on compliance. Production employees receive a presence training tailored to their needs by managers. All employees in sales and marketing as well as employees in certain other functions must also undergo online training courses on antitrust law. All employees in sales and marketing and from selected other functions must also undergo online training on antitrust law. A global compliance awareness campaign was also carried out in the financial year 2024. Over a period of one month, selected compliance topics such as the Code of Conduct, export controls, anti-corruption and anti-money laundering as well as reporting channels were highlighted and explained to employees. It is planned to continue this format in the financial year 2025.

Employees are required to report any violations they observe to their managers, compliance officers, the works council, or the responsible members of staff in the human resources department. Siltronic investigates every reasonable suspicion, examines the case and defines measures to remedy any vulnerabilities identified. Siltronic also takes any disciplinary measures if necessary. The compliance organization reports to the Executive Board of Siltronic AG on a monthly basis or as the need arises. In addition, the Chief Compliance Officer reports to the Supervisory Board during the Audit Committee meetings.

Employees and external parties have the opportunity to anonymously report violations of the law and (imminent) human rights violations via a digital whistleblower system. As a protected and additional reporting channel, Siltronic has appointed an external ombudsman to whom employees and third parties can anonymously report violations of statutory regulations.

Retaliation of any kind against persons who report compliance incidents in good faith is prohibited. The contact details of the ombudsman as well as the link to the digital whistleblower system are published on our homepage.

The Executive Board also appointed a Human Rights Officer who defines measures to ensure compliance with human rights and environmental due diligence obligations. The Human Rights Officer identifies the human rights and environmental risks faced by Siltronic and its direct suppliers. Based on the risk analysis, he supports the development of the Company’s human rights strategy. The digital whistleblower system also enables individuals to report violations of relevant human rights or environmental risks that have arisen as a result of the economic activities of the Company or a direct supplier.

Code of Conduct

The Code of Conduct of Siltronic that was updated in the financial year 2024 provides a binding framework for the legal and responsible conduct of the employees in their daily work. It applies to all companies of the Siltronic Group worldwide. The Code of Conduct is intended to raise awareness among the employees regarding legal risks and support them in ethical issues. The Code of Conduct also sets out rules of behavior that apply throughout the Group to fight corruption and protect free competition. Furthermore, our Code of Conduct emphasizes the significance of focusing on quality, customer benefit and safety, as well as health and environmental protection. With its Code of Conduct, Siltronic is also committed to responsible corporate governance and sustainable action. The Code of Conduct is available on the Company’s intranet and website (*https://www.siltronic.com/en/our-company/compliance.html*).

As a supplier to the electronics industry, Siltronic is also guided by the code of conduct of the Responsible Business Alliance, with which leading companies in the electronics industry aim to promote social and ecological responsibility and ethical business practices worldwide. Further information on the initiative and its code of conduct can be found online at (*http://www.responsiblebusiness.org).*

Siltronic also implements the ten principles of the United Nations´ Global Compact initiative to protect human rights, social and environmental standards and the fight against corruption. The ten principles of the UN Global Compact are available online at (*www.unglobalcompact.org).*

Siltronic has also joined the “Charter of Diversity”. Siltronic is committed to actively implementing and promoting equal opportunities and diversity. Information on the Charter can be found online at (*https://www.charta-der-vielfalt.de/ueber-uns/ueber-die-initiative/uebersetzungen/*).

Furthermore, Siltronic has joined the RE100 initiative in 2023. This global corporate initiative is committed to the exclusive use of renewable energies. With its membership, Siltronic wants to make a contribution to advancing global decarbonization. As part of its membership of RE100, Siltronic has committed to gradually increasing the proportion of renewable energy to 60 percent by 2030 and to 100 percent by 2045. Information about the RE100 initiative can be found at (*https://www.there100.org/*).

Information on the working methods of the Executive Board and Supervisory Board and on the composition and working methods of the Supervisory Board's committees

Siltronic AG has a dual management system, as required by the German Stock Corporation Act (AktG). It consists of the Executive Board, which manages the Company, and the Supervisory Board, which monitors and advises the Executive Board.

Executive Board

Since June 1, 2024, the Executive Board comprises three members. The Executive Board conducts the Company's business in accordance with the law, the Articles of Association and its rules of procedure. The Executive Board manages the Company independently and represents Siltronic AG in all transactions with third parties. Its actions and decisions are determined by the interests of the Company and are geared towards creating sustainable growth in the corporate value. To this end, the Executive Board determines the Group's strategy and manages and monitors it by allocating financial and other resources and capacities as well as by supporting and supervising the operating business. The Executive Board ensures compliance with legal provisions and provides for an appropriate risk management and risk control.

The members of the Executive Board are jointly responsible for the executive management of the Company. Each member of the Executive Board is responsible for managing the areas of responsibility assigned to him or her. The Executive Board holds regular meetings which are convened and chaired by the CEO. Board meetings must be held whenever the interests of the Company so require. The Executive Board generally adopts its resolutions by simple majority.

Diversity concept for the Executive Board

The Supervisory Board adopted the following diversity concept for the Executive Board:

"When appointing members to the Executive Board, the Supervisory Board looks for appropriate qualifications and experience required for the best possible performance of the Executive Board duties of a technology company in the semiconductor industry, as well as personal integrity, reliability and assertiveness. In addition to the specific knowledge required for their respective areas of responsibility, the members of the Executive Board must have a broad range of management and leadership experience in order to effectively fulfill the overall responsibilities of this board. When appointing new members to the Executive Board, the Supervisory Board also takes into account the following diversity aspects, which are important but not exclusive appointment criteria. The Supervisory Board's decision on filling a specific Executive Board position is always based on the interests of Siltronic AG, taking into account all circumstances of the individual case.

– Professional diversity

  The Executive Board as a whole should have many years of experience in the fields of production, sales, technology, finance (in particular controlling, accounting, taxes and risk management), law and compliance. Educational and professional backgrounds should also be taken into account.

– International experience

  In light of the global activities of the Siltronic Group, particular attention should be paid to international experience (for example, through longer professional experience abroad or supervision of international business activities).

– Gender

  The Supervisory Board has set a target, that at least one female and at least one male should represent the Executive Board.

– Age

  The Supervisory Board has defined a standard age limit for members of the Executive Board in its Rules of Procedure. Other than that, the Supervisory Board does not aim for a specific age structure for the Executive Board.

The purpose of the diversity concept is to ensure that Siltronic AG is managed with a view to its long-term success and that the Executive Board and Supervisory Board work together in a targeted and efficient manner.

The Supervisory Board and the Executive Committee of the Supervisory Board take the diversity concept into account – in addition to the requirements of the German Stock Corporation Act (AktG), the German Corporate Governance Code and the rules of procedure for the Supervisory Board – in the long-term succession planning and appointment of Executive Board members".

Method of implementing the diversity concept

The diversity concept for the Executive Board is implemented as part of the Executive Board appointment process. The Supervisory Board and the Executive Committee of the Supervisory Board take into account the requirements set out in the diversity concept when selecting candidates and appointing Executive Board members.

At the Supervisory Board meeting on April 24, 2024, Mr. Buchwald was appointed as a member of the Executive Board for the period from June 1, 2024 to May 31, 2027. Mr. Buchwald has extensive experience and a deep understanding of the semiconductor industry. He has in-depth expertise, particularly in the areas of production, logistics and supply chain. His many years of management experience in an international group round off his profile. Mr. Buchwald fully complies with the appointment criteria set out in the diversity concept for the Executive Board.

Close collaboration between the Executive Board and the Supervisory Board

The Executive Board and Supervisory Board work closely together to ensure the long-term and sustainable success of the Company. Their common goal is the sustainable development of the Company and its value. The Executive Board reports to the Supervisory Board regularly, promptly and comprehensively on all matters of strategy, planning, business performance, risk position, risk management and compliance that are relevant to the Company. The Chairman of the Supervisory Board also maintains close contact with the Executive Board between meetings, in particular with the CEO of the Executive Board, and discusses issues of importance. The Executive Board explains to the Supervisory Board if the business performance deviates from its intended plans and targets.

Certain transactions specified in the rules of procedure for Siltronic AG's Executive Board require the approval of the Supervisory Board. These include the adoption of the annual budget, including financial and investment planning, the acquisition and disposal of equity investments, the commencement of new and the discontinuation of existing production and business activities, and the raising of major long-term loans.

Supervisory Board

In accordance with the Articles of Association, the Supervisory Board consists of twelve members. In accordance with the German Co-Determination Act (MitbestG), it is composed of equal numbers of shareholder and employee representatives. The term of office of the members is regularly four years. They can be re-elected. An overview of the members of the Supervisory Board in office during the reporting period and their other mandates on supervisory boards or comparable bodies required to be formed by law is available on page 12. With the exception of Dr. Gerlinger, whose regular term of office ends at the end of the 2025 Annual General Meeting, the regular term of office of the current Supervisory Board members ends at the end of the 2027 Annual General Meeting. The Supervisory Board appoints, monitors and advises the Executive Board and is directly involved in decisions of material importance to the Company. Fundamental decisions on the further development of the Company require the approval of the Supervisory Board. The rules of procedure of the Supervisory Board are published on the Company's website.

Diversity concept, objectives for the composition, competence profile of the Supervisory Board and qualification matrix

On July 26, 2022, the Supervisory Board adopted the following diversity concept (including objectives for its composition and a competence profile):

"The Supervisory Board shall be composed in such a way that its members in their entirety have the necessary knowledge, skills, and professional experience to perform their duties in a proper manner and that the statutory gender quota is met. Against the background of the recommendations of the German Corporate Governance Code, the Supervisory Board has decided on the following specific objectives for its composition and the following competence profile, which together also form the diversity concept for the Supervisory Board:

I. Objectives for the composition

1. International expertise

In view of the Company's international strategy, at least one member of the Supervisory Board should have relevant experience.

2. Independence and potential conflicts of interest

At least four shareholder representatives should be independent within the meaning of the German Corporate Governance Code. The rules of procedure set out by the Supervisory Board for dealing with conflicts of interest must be observed. Major conflicts of interest not only of a temporary nature, such as those involving board functions or advisory tasks at major competitors of the Company, must be avoided.

3. Age limit for members of the Supervisory Board and standard length of service

The age limit regulations set out by the Supervisory Board in the rules of procedure must be observed.

4. Diversity

With regard to diversity, the Supervisory Board strives to ensure that its composition takes into account a wide range of professional experience, educational backgrounds and, in particular, the appropriate participation of both genders. Pursuant to Section 96 (2) of the German Stock Corporation Act, the Supervisory Board must be composed of at least 30 percent women and at least 30 percent men. The shareholder and employee representatives on the Supervisory Board objected to the overall fulfillment of the gender quota. For this reason, the Supervisory Board of the Company must be composed of at least two women and two men on both the shareholder and the employee side.

II. Competence profile

In view of Siltronic's sphere of activity, the Supervisory Board as a whole must be competent in all areas of significance. These include, in particular, in-depth experience and knowledge of:

- Management roles at listed or international companies;
- Science or research;
- Technological fields relevant to the Company;
- Strategy and corporate development;
- Production, sales, and markets in which Siltronic operates;
- Finance, in particular financial reporting, taxation, and controlling;
- Risk management and compliance;
- Human resources and co-determination;
- in sustainability issues or ESG topics that are significant for the Company.

Furthermore, pursuant to Section 100 (5) of the German Stock Corporation Act (AktG), at least one member of the Supervisory Board must have expertise in financial controlling and at least one other member of the Supervisory Board must have expertise in the area of auditing. The Supervisory Board in its entirety must be familiar with the semiconductor industry."

Composition and competence profile

The Supervisory Board and the Supervisory Board's Nomination Committee consider the diversity concept (including the objectives for the composition and the competence profile) in the selection process and the nomination of candidates for the Supervisory Board as shareholder representatives to the Annual General Meeting. Prior to the Annual General Meeting, the curricula vitae of the candidates, including their pertinent knowledge, skills and experience, are published on Siltronic's website (*https://www.siltronic.com/en/investors/annual-general-meeting.html*).

In its view, the Supervisory Board in its current composition meets the diversity concept as well as the compositional objectives and covers the competence profile. The Supervisory Board members have all the qualifications deemed necessary. The members of the Supervisory Board in their entirety are familiar with the sector in which the Company operates, i.e. the semiconductor industry, and possess the skills, experience and knowledge relevant for Siltronic's activities. Several members of the Supervisory Board have relevant experience with regard to the international strategy of the Company. Diversity is appropriately reflected in the Supervisory Board. In the financial year 2024, the Supervisory Board had five female members, two of whom were shareholder representatives and three of whom were employee representatives. The statutory minimum quota is therefore fulfilled. In the opinion of the shareholder representatives of the Supervisory Board, at least four shareholder representatives are currently independent within the meaning of the German Corporate Governance Code, namely Ms. Röhm-Kottmann, Dr. Gerlinger, Dr. Benschop and Mr. Hankel.

According to the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in accounting and at least one other member of the Supervisory Board must have expertise in auditing. According to the German Corporate Governance Code, the expertise in the field of accounting should consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing should consist of special knowledge and experience in the auditing of financial statements, whereby accounting and auditing also include sustainability reporting and its auditing. As the long-standing Chief Financial Officer of the listed company Wacker Chemie AG, Dr. Tobias Ohler has corresponding expertise in the field of accounting. As a former partner at the auditing firm KPMG, the current Audit Committee Chairwoman Ms. Röhm-Kottmann has extensive experience in auditing the financial statements of DAX and M-DAX companies. As Chief Financial Officer of a major European corporation, she also has extensive knowledge and expertise in all areas relating to finance.

Qualification matrix

The status of implementation of the competence profile is disclosed below in the form of a qualification matrix based on a self-assessment by the members of the Supervisory Board and adopted by the Supervisory Board.

	Dr. Tobias Ohler	Daniela Berer	Dr. Jos Benschop	Mandy Breyer	Klaus-Peter Estermaier	Sieglinde Feist	Dr. Hermann Gerlinger	Michael Hankel	Markus Hautmann*	Lina Ohltmann	Mariella Röhm-Kottmann	Volker Stapfer	Günter Zellner°
Independence		n/a	•	n/a	n/a		•	•	n/a	n/a	•	n/a	n/a
Relevant international Experience	•	•	•		•	•	•	•		•	•		
Leading Position in another Enterprise	•		•		•	•	•	•			•	•	
Research & Development			•				•	•					
Relevant Technological Areas	•	•	•		•		•	•					
Strategy and Corporate Development	•	•	•		•	•	•	•				•	
Production and/or Sales; relevant Markets	•	•		•	•	•	•	•				•	
Finance	•					•					•		
Risk Management and Compliance	•					•					•		
Human Resources and Co-Determination	•	•		•	•		•	•	•	•		•	•
Sustainability/ESG	•	•					•	•	•	•	•	•	•

* = Supervisory Board Member until 31.08.2024
° = Supervisory Board Member since 02.09.2024

Committees enhance Supervisory Board efficiency

In order to perform its duties efficiently, the Supervisory Board has established four professionally qualified committees. Reports on the work of the committees are regularly presented to the Supervisory Board plenum.

Executive Committee

Chair:
Michael Hankel

Members:
Mariella Röhm-Kottmann
Daniela Berer
Dr. Tobias Ohler

Responsibilities:
The Executive Committee consists of three shareholder representatives and one employee representative. The Executive Committee prepares personnel decisions for the Supervisory Board, in particular those concerning the appointment and removal of members of the Executive Board. It also deals with the service contracts of the Executive Board and the Executive Board compensation system as well as suggestions for the target setting and target achievement, on the basis of which the Supervisory Board plenum determines the compensation of the Executive Board members. The Executive Committee regularly discusses the long-term succession planning for the Executive Board.

Nomination Committee

Chair:
Dr. Tobias Ohler

Member:
Michael Hankel

Responsibilities:
The Nomination Committee consists of two members of the shareholder representatives. The Nomination Committee is responsible for proposing suitable candidates to be elected as shareholder representatives on the Supervisory Board to the Supervisory Board for its election proposals to the Annual General Meeting. In doing so, it considers the diversity concept including objectives regarding the composition and the competence profile.

Audit Committee

Chair:
Mariella Röhm-Kottmann

Members:
Dr. Tobias Ohler
Volker Stapfer

Responsibilities:
The Audit Committee consists of three members. The Audit Committee must include at least one member of the Supervisory Board with expertise in the fields of accounting and at least one member with expertise in the field of auditing; the members in their entirety must be familiar with the sector in which the Company operates. The Audit Committee prepares the Supervisory Board's decisions on the adoption of the annual financial statements of Siltronic AG and the approval of the consolidated financial statements, as well as the proposal for a resolution by the Executive Board on the appropriation of profits. For this purpose, it is responsible for a preliminary review of the annual financial statements of Siltronic AG, the consolidated financial statements, the management reports or the combined management report, the non-financial report and the proposal for the appropriation of profits. It also deals with the review of the half-yearly interim consolidated financial statements and the discussion of the quarterly reports, as well as with issues concerning risk management and compliance. In particular, it monitors accounting processes, compliance and the effectiveness of internal control, risk management and auditing systems. The Audit Committee also monitors the external audit of the financial statements including its quality. The Audit Committee discusses the assessment of the audit risk, the audit strategy and audit planning, and the audit results with the auditor. The Chairwoman of the Committee regularly discusses the progress of the audit with the auditor and reports to the Audit Committee. The Audit Committee takes appropriate measures to determine and monitor the independence of the external auditor and to monitor the additional services provided by the auditor. Together with the auditor, the Audit Committee discusses the risks to the auditors' independence and the protective measures taken to mitigate these risks. Contracts may only be awarded to the auditor or companies with which it is associated legally, financially or in terms of personnel, to the extent these contracts do not involve prohibited non-audit services. Such contracts also require the prior approval of the Audit Committee which duly assesses the risk to independence and the protective measures applied. The Audit Committee prepares a recommendation for the Supervisory Board's proposal to the Annual General Meeting on the selection of the auditor and sustainability auditor. Before submitting the nomination proposal, the Audit Committee obtains a declaration from the designated auditor that the statutory independence requirements are being met. Following the resolution of the Annual General Meeting, it issues the audit engagement letter to the auditor. The Audit Committee agrees the fees with the auditor – in compliance with the statutory provisions on audit fees – and determines the main points of the audit. The Audit Committee also engages an auditor in order to issue a "limited assurance" for the ESG report. The Chairwoman of the Audit Committee has expertise in the field of auditing and a further member has expertise in the field of accounting.

Conciliation Committee

Chair:
Dr. Tobias Ohler

Members:
Sieglinde Feist
Daniela Berer
Mandy Breyer

Responsibilities:
The Conciliation Committee to be formed pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG) comprises the Chairman of the Supervisory Board, his deputy and two further members elected with a majority of the votes cast. One of the two members is elected by the Supervisory Board members representing the employees and the other is elected by those Supervisory Board members representing the shareholders. The Conciliation Committee has the task assigned to it by law, i.e. submitting proposals for the appointment or removal of members of the Executive Board if the required two-thirds majority of the votes of the Supervisory Board members is not obtained in the first ballot.

Targets for the proportion of women on the Executive Board and at the first two management levels below the Executive Board; information on compliance with minimum quotas in the composition of the Supervisory Board

The target for the proportion of women at Executive Board level was achieved as of December 31, 2024. Mr. Buchwald was appointed to the Executive Board as of June 1, 2024. Women and men were considered equally in the selection process for his appointment and the best candidate in the interests of the Company was subsequently appointed.

As of December 31, 2024, 2 out of 16 positions at the first management level (equivalent to 12.5 percent) and 5 out of 33 positions at the second management level (equivalent to 15.5 percent) were held by women. This means that the self-imposed target for the proportion of women was only achieved at the Executive Board level. Diversity, including increasing the proportion of women throughout the Company, is of great importance to us. At the same time, the recruitment of new employees and managers is based on qualifications in the best interests of the Company. Due to a lack of suitable female candidates, we were unable to meet the self-imposed quota at the first and second management levels.

	Starting base as of June 30, 2023	Target as of December 31, 2026	New target as of December 31, 2024
Supervisory Board	Statutory 30% quota, therefore no target required		
Executive Board	0% (0/2)	33.33% (1/3)	33.33% (1/3)
1st management level	20% (3/15)	mind. 25% (4/16)	12.5% (2/16)
2nd management level	15.15% (5/33)	mind. 17.24% (5/29)	15.15% (5/33)

In accordance with statutory requirements, the Supervisory Board of Siltronic AG must be composed of at least 30 percent women and at least 30 percent men. The Supervisory Board of Siltronic AG consists of five female members – two on the shareholder and three on the employee side – and seven male members. The shareholder representatives and the employee representatives objected to the overall fulfilment of the gender quota. With a share of 41.67 percent women and 58.33 percent men, the Supervisory Board in its current composition meets the legal requirements for minimum quotas.

Further information on corporate governance

Transparent information for shareholders and the general public

Siltronic strives to provide all of the Company's target groups, whether shareholders, shareholder representatives, analysts, the media, employees or the interested public, with equal and timely information. Siltronic reports quarterly on the development of its business and the situation of the Company in accordance with the financial calendar available on our website. Our investor relations team keeps capital market participants informed about current and future business developments in video/ telephone conferences and in-person meetings on the respective quarterly reports.

Where legally required, information in the form of ad hoc announcements is published. For this purpose, an ad hoc committee has been formed, on which all members of the Executive Board, the Head of Investor Relations & Communications and the Head of Legal & Compliance are represented to examine matters for their ad hoc relevance. This way it is ensured that possible insider information is handled in accordance with the law.

Key presentations can be viewed without restriction and downloaded online. All press releases and financial reports such as voting rights notifications, information on proprietary transactions and ad hoc announcements in German and English can also be found there as well as annual reports and all interim reports and quarterly announcements. Further information can be found at *http://www.siltronic.com.*

Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting. Among other things, the Annual General Meeting resolves on the appropriation of profits, the discharge of the members of the Executive Board and the Supervisory Board and the appointment of the auditor. Amendments to the Articles of Association and measures to change the capital are resolved by the Annual General Meeting and implemented by the Executive Board. The Annual General Meeting also serves to inform all shareholders efficiently and comprehensively about the situation of the Company. Even before the Annual General Meeting, shareholders receive important information about the past financial year in the annual report. In the invitation to the Annual General Meeting, the items on the agenda and the conditions of participation are explained. The convening notice and all reports and documents required by law, including the annual report (which includes the consolidated financial statements and the combined management report) as well as the annual financial statements of Siltronic AG, are also available on the website. When shareholder representatives are elected to the Supervisory Board, a detailed curriculum vitae is published for each candidate. Following the Annual General Meeting, the attendance and voting results are published online. Siltronic facilitates the personal exercising of shareholders' rights and to vote by proxy. Company proxies are available to exercise shareholders' voting rights in accordance with instructions. There is also the option of electronic postal voting via the shareholder portal.

In the financial year 2024, the Annual General Meeting was held in presence.

Reporting obligations for managers

Executives of the Company (in the case of Siltronic, members of the Executive Board and the Supervisory Board) and persons closely related to them are obliged to notify the Company and the competent authority of any proprietary transactions in shares or debt instruments of the Company or related derivatives or other related financial instruments without delay, at the latest three business days after the date of the transaction, provided that these proprietary transactions have reached a total amount of EUR 20,000 at the end of the calendar year. Siltronic is obliged to publish the notifications it receives immediately, at the latest two business days after receipt of the notification, and to transmit them to the Company register. We will also notify the German Federal Financial Supervisory Authority (BaFin) of the publication.

Responsible approach to opportunities and risks

The responsible handling of risks by the Company is a key component of good corporate governance. Siltronic uses a systematic opportunity and risk management approach to regularly identify and monitor significant risks and opportunities. The aim is to identify risks at an early stage and mitigate them through rigorous risk management. The Executive Board regularly informs the Supervisory Board on existing risks and their development. The Audit Committee regularly addresses the financial reporting process and the effectiveness of the internal control, risk management and audit system. The opportunities and risk management system are continuously developed and adapted to changing conditions. Details are available in the Risk and Opportunity Report on page 38.

Financial reporting and auditing of financial statements

Siltronic's consolidated financial statements for 2024 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The 2024 financial statements of Siltronic AG were prepared in accordance with the provisions of the German Commercial Code (HGB). The accounts for 2024 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich. In accordance with the provisions of the Corporate Governance Code, the Audit Committee agreed with the auditor that the auditor shall inform the Audit Committee immediately about all findings and circumstances that the auditor becomes aware of during his audit and that are significant for the Audit Committee's work. Should the auditor identify any facts during the audit of the financial statements that indicate an inaccuracy in the Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) issued by the Executive Board and the Supervisory Board, the auditor will inform the Audit Committee accordingly and note the finding in the audit report.

The Audit Committee regularly reviews the quality of the audit.

D&O insurance and criminal law insurance coverage

A pecuniary damage liability insurance policy is in place that covers the activities of the members of the Executive Board and the Supervisory Board (D&O insurance). The insurance policy provides for the statutory deductible for the members of the Executive Board. There is no deductible for members of the Supervisory Board. Furthermore, the members of the executive bodies are also covered by the criminal law insurance policy that Siltronic has taken out for its employees. The insurance covers any lawyers' and court costs that may be incurred for defense in criminal or misdemeanor proceedings.

Conflicts of interest

The members of the Executive Board and Supervisory Board are committed solely to the interests of the Company. In making their decisions, they may not pursue personal interests or exploit of business opportunities to which the Company is entitled. The rules of procedure for the Executive Board and the Supervisory Board stipulate that any conflicts of interest must be disclosed immediately. In the event of material and not only temporary conflicts of interest, the affected Supervisory Board member is required to resign from office.

All transactions between the Company on the one hand and a member of the Executive Board or a relative of that member on the other hand must be conducted on an arm's length basis. Insofar as the participation of the Supervisory Board is not required anyway pursuant to Section 112 of the German Stock Corporation Act (AktG), such transactions require the approval of the Supervisory Board if the value of the individual transaction exceeds EUR 5,000.

Self-evaluation

At its meeting on November 27, 2024 the Supervisory Board conducted a self-evaluation of the effectiveness of the Supervisory Board and its committees in accordance with the German Corporate Governance Code. After the self-evaluation was supported by external consulting in the previous financial year, individual opinions were collected and processed anonymously through an internal questionnaire in the reporting year. The insights gained were discussed in the plenary. It was found that the optimization opportunities identified in the last evaluation had largely been implemented. No significant deficiencies were identified. Further optimization opportunities are to be implemented in the future.

Age limit for board members

According to the rules of procedure for the Supervisory Board, when preparing personnel decisions of the Supervisory Board, the Executive Committee shall take into account that the members of the Executive Board may in general not be older than 67 years.

According to the rules of procedure for the Supervisory Board, Supervisory Board members who have reached the age of 75 shall resign from office at the end of the Annual General Meeting following the 75th birthday of the respective Supervisory Board member. Any deviation from this rule shall be discussed with the members of the Executive Committee and – if a member of the Executive Committee is affected – additionally with the members of the Audit Committee.

Long-term succession planning

Long-term succession planning is the subject of regular consultations of the Executive Committee. In particular, the Chairman of the Supervisory Board is in regular dialogue with the Executive Board on this subject.

Related party transactions

With the approval of the Supervisory Board, the Company has established an internal procedure pursuant to Section 111a (2) sentence 2 of the German Stock Corporation Act (AktG) that applies to the evaluation of related party transactions and implemented corresponding processes. Only Supervisory Board members who are not concerned about a conflict of interest due to their relationship with the related party participate in the resolution on the approval of related party transactions in accordance with Section 111b of the German Stock Corporation Act (AktG). Further information on related party transactions is published on 155.

Bylaws for the Executive Board and the Supervisory Board

The bylaws for the Supervisory Board and the Executive Board can be viewed on the Company's website (*https://www.siltronic.com/en/investors/corporate-governance.html*).

Combined Non-Financial Statement and ESG Report[1]

General Information

The framework for this non-financial statement and this ESG report

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-5

Siltronic assumes responsibility for the ecological, social and economic impact of its business activities and pursues holistic ESG management (Environment, Social and Governance).

We understand sustainability to mean positively influencing future conditions in the ecological, economic and social spheres through our actions today. The background to this report is therefore the question of how our actions affect the environment, economy and society at a local and global level.

We believe that positive, sustainable action also brings benefits for Siltronic. By increasing the efficiency of the use of raw materials and energy or by motivating our workforce, we secure our profitability in the medium and long term. Profitability is important in order to be able to offer employees high social benefits and a wide range of personnel development measures. A committed and well-trained workforce is more capable of discovering new opportunities in research and development as well as production. Our activities in the area of sustainability also help us to maintain our competitiveness: We pass on our customers' expectations of us to demonstrate social and environmental responsibility and to apply ethical business practices to our suppliers in equal measure. This creates a cycle that is not only positive for stakeholders and the environment, but also for Siltronic.

This non-financial statement is a summarized statement. The summary relates to the non-financial statement of Siltronic AG and the non-financial statement of the Group. The summarized statement is hereinafter referred to as the "non-financial statement" or "ESG report". The non-financial Group declaration includes, in accordance with § 315c in conjunction with § 289c, the key information relevant to the Group’s business activities regarding the required aspects: environmental matters, employee matters, social matters, respect for human rights, and the fight against corruption and bribery.

The Group entities included in the non-financial statement and the ESG report correspond to those in the consolidated financial statements. In line with the consolidated financial statements, the reporting period comprises one calendar year. As in the preparation of the consolidated financial statements, similar topics are treated uniformly throughout the Group. The report is not limited to the activities of Siltronic alone, as it includes material impacts of our activities on upstream and downstream value chains.

There were no divestments, acquisitions or mergers of Group entities in the reporting year. The business model is unchanged from the previous year, and there were no significant changes in the value chain. For the results of operations, net assets and financial position, please refer to the relevant disclosures on page 27.

The non-financial statement and the ESG report respectively are available to the public in German and English by publication on the Internet at *www.siltronic.com/en/sustainability* and as part of the annual report at *www.siltronic.com/en/investors/reports-and-presentations.* Questions can be addressed directly to the Investor Relations department of Siltronic AG.

Reporting follows the European Sustainability Reporting Standards (ESRS) as a reference as well as the guidelines of the GRI (Global Reporting Initiative). The report is also aligned with the United Nations Sustainable Development Goals (SDGs) and covers topics from the Responsible Business Alliance (RBA) Code of Conduct. In addition, information on our social responsibility is provided if it is relevant for the Communication on Progress of the United Nations Global Compact. The current Communication on Progress for the year 2024 is available at *Siltronic AG | UN Global Compact*.

This non-financial statement has been duly reviewed by the Supervisory Board of Siltronic AG. In addition, the Supervisory Board of Siltronic AG has appointed KPMG AG Wirtschaftsprüfungsgesellschaft accordingly. KPMG AG Wirtschaftsprüfungsgesellschaft has reviewed the non-financial statement and the ESG report respectively, applying ISAE 3000 (revised) to obtain limited assurance with regard to the disclosures pursuant to Sections 315c in conjunction with Sections 289c to 289e HGB and Article 8 of the EU Taxonomy Regulation. KPMG AG Wirtschaftsprüfungsgesellschaft was also engaged to audit the consolidated financial statements including the management report of Siltronic.

[1] This section was not the subject of a substantive audit as part of the statutory audit. To obtain limited assurance, KPMG AG Wirtschaftsprüfungsgesellschaft conducted an independent business audit of the non-financial statement.

Risks and opportunities from our business model with regard to ESG

Characteristics of our product
GRI 2-6

The Siltronic Group is a one-product company; we generate our revenue from the sale of wafers produced in-house for the semiconductor industry. The regional distribution of sales and further information can be found in the notes to the consolidated financial statements under "Segment reporting".

Our wafers are the basis for the production of computer chips. This is because our customers – the manufacturers of chips and semiconductors – transform a wafer into chips in their highly sophisticated physical and chemical production processes. Wafers are regarded as raw materials in the semiconductor industry.

The most important end markets for the demand for the raw material wafer are smartphones, computers, servers, consumer electronics including household appliances, industry and automobiles. Almost all of our wafers go into these six end markets, and all six end markets are important for us.

There is no direct relationship between Siltronic and private consumers or end users, as we neither have a business relationship with them nor manufacture products for end users (between the end user and us there are one or more companies with high added value and, as a rule, at least one level of trade). The raw material wafer would have no significant economic value for a private consumer.

Wafers are not harmful to humans.

The impact of climate change on our business model
GRI 201-2, GRI 3-3

Global warming, energy consumption and Siltronic's position

At the United Nations Climate Change Conference in Paris in December 2015, 195 countries and the EU agreed to reduce man-made global warming to a maximum of 2 degrees Celsius compared to the average for the years 1850 to 1900. Furthermore, efforts are being undertaken to limit the increase to 1.5 degrees Celsius. Subsequent United Nations climate conferences have underpinned the importance of these climate targets.

In addition to the already high CO_2 emissions, the world's population is growing. The United Nations expects the number of people to increase by around 20 percent over the next 25 years from the current figure of just under 8 billion. This will significantly increase energy consumption and therefore CO_2 emissions. These developments will have far-reaching consequences for people and the environment, for example in terms of biodiversity, water cycles and social justice. As a large manufacturing company, Siltronic contributes to the consequences, especially as long as the energy we purchase does not come exclusively from renewable sources. Against this backdrop, we are aware that reducing CO_2 emissions, transitioning to renewable energies and increasing energy efficiency are of the utmost importance to society.

Siltronic's analysis of the impact of climate change

We do not believe that our business model will be negatively impacted by climate change. Our medium and long-term market resilience analysis, which is part of the materiality analysis, revealed the opposite: electromobility is not possible without wafers, it is more difficult to increase the energy efficiency of electronic devices and also the integration of electricity from solar and wind parks would be difficult to achieve.

From discussions with our major customers, we know that they monitor and evaluate the carbon footprint of their major suppliers in addition to their own carbon emissions. We therefore compare our CO_2 footprint with that of our competitors. We believe we are very well positioned here. Our efforts to tackle the climate crisis were recognized by a major customer with an award in the reporting year.

As demand for wafers is increasing due to other megatrends in addition to the growing interest in energy-efficient products, we are unable to provide a quantitative analysis or timescales for opportunities for our product arising from climate change.

Eco-design of wafers
GRI 3-3, GRI 301-2

Environmental policy statement

The Executive Board of Siltronic has published several policy statements that underpin the Company's position on specific sustainability topics (current versions are available at *www.siltronic.com/en/sustainability/commitments*). The environmental policy statement states: “We commit to promoting environmental protection throughout the value chain of our products. This involves focusing on creating products that enable our customers to contribute to climate protection and collaborating with our suppliers to reduce the environmental footprint of our products.”

There are five areas in which we have a positive impact on our environmental footprint: (a) recycling the raw material silicon, (b) product design of our wafers, (c) further development of wafers to increase the energy efficiency of chips, (d) designing new wafer types – a result of our research and development activities – and (e) the product life cycle of our wafers.

Recycling the raw material silicon

As wafers consist of more than 99 percent silicon atoms, silicon is by far the most important raw material for us. The remaining atoms in wafers that are not silicon are used to adapt to various functions that the semiconductor chips are required to fulfill. These atoms are added in a targeted manner and do not represent impurities.

Silicon is extracted from sand, is non-toxic and is the second most common element on Earth after oxygen. Our annual demand for silicon is in the mid four-digit thousand ton range (we do not state the exact figure for competitive reasons). Given the availability of silicon and sand, this demand and that of all other wafer manufacturers is insignificant for the Earth. Due to its availability and environmental compatibility, we consider silicon to be an unrivaled raw material for our product in the long term. Despite the very good availability of silicon and sand, a portion of the silicon used is recycled.

Recycling is important because a large amount of energy is required to remove foreign atoms from our product and to arrange silicon atoms correctly. By recycling silicon residues, the energy requirement in our manufacturing process can be significantly reduced.

Due to this great importance, Siltronic has developed, built and commissioned its own recycling plant for silicon residues. The plant enables us to recover a low double-digit percentage of the silicon used (for competitive reasons we do not give an exact figure). The recycled silicon is fed directly into production as a raw material. We have adapted our production process over the years in order to be able to use recycled silicon residues in production.

Our strong focus on raw materials recycling is also reflected in the definition of a performance indicator with an annual target value that is relevant to the remuneration of the Executive Board. The Executive Board received regular reports on the development of the performance indicator in the reporting year and was informed of the reasons for any deviations.

It is not possible to extract silicon in the high-purity form we require from end consumer products such as smartphones or computers, as the silicon bound in wafers is heavily contaminated downstream in the value chain. For our production, we need silicon with a purity of over 99.99 percent as a raw material. It is the purest material on Earth that is mass-produced (and significantly purer than silicon used in the solar industry).

Product design of our wafers

We estimate that chip manufacturers around the world are able to produce an average of around 10 million chips per hour. Customers with the most modern production facilities can produce just over a 1,000 chips from one wafer. These (customer) facilities are extremely energy and water intensive, and the use of hazardous chemicals plays an important role in the customer's production process.

As the transformation of wafers into chips is a mass business, the reduction of waste is very important. The more chips a customer can produce from a wafer, the lower the amount of waste and therefore the less water, energy and hazardous chemicals are required. Reduced waste is therefore beneficial for Siltronic, the customer and the general public.

This is why we work together with technologically leading customers in development projects to increase the yield per wafer and further reduce waste for our customers. In these complex projects, which can take several years, we continue to develop the product design of our wafers so that it meets the physical and chemical requirements profile of our customers as precisely as possible. A significant proportion of our research and development expenses is spent on constantly improving the product design of our wafers and thus reducing waste.

Further development of wafers increases the energy efficiency of chips

Our innovations in wafer production have a strong impact on increasing the energy efficiency of chips. This is particularly evident in smartphones, computers, servers, household appliances and electric vehicles. There are two reasons for this:

- Firstly, power consumption drops significantly when our customers are able to integrate smaller transistors and shorter conductor tracks into wafers. The resulting increase in the chip's energy efficiency is usually so high that a new chip operates with more power than its predecessor while requiring less energy. More computing power can thus be realized per watt. To achieve this, wafers must meet constantly and significantly increasing physical and chemical requirements. Achieving these increasing requirements also offers our customers the advantage of being able to produce more chips from one wafer. As chip production on the customer side is very energy- and water-intensive, these wafers reduce customers' electricity and water demand.

  To this end, we spend many millions of euros each year on research and development and generally invest a two to three digit million euro amount in new machines. Only with state-of-the-art machines is it possible to produce technologically leading wafer types. More than half of our sales are accounted for by these types of wafers.

- Certain types of wafer are used to produce chips that control the flow of electricity. These chips are also known as power chips or power semiconductors. Without power chips, for example, modern household appliances would be unthinkable, LED lighting as we know it would not exist, nor would small power supply units or chargers. Slightly more than a quarter of our sales relate to wafers used for power semiconductors.

To make power semiconductors more energy-efficient, we have developed special wafer types with a low oxygen content. Chips produced from such wafers reduce energy consumption in devices in which high direct and alternating currents are converted. Examples include the current flow between the electric motor and the battery in an all-electric car, between a charging station and an electric vehicle, or between the power grid and the generation of electricity from renewable sources (mainly wind turbines, photovoltaics). Without the supply of special wafer materials, the energy efficiency of many electrical products, including electric vehicles, would be significantly lower. Just over 15 percent of our Group sales is attributable to such wafer types with a low oxygen content.

Siltronic's goal is to disproportionately increase the share of the above two categories of wafer types that are transformed into energy-efficient chips over the next few years.

New wafer type as a result of research activities

We are developing a new type of wafer with gallium nitride. This is the result of several years of research activities.[1]

The new type of wafer is expected to make the charging process for electric vehicles and other devices significantly more energy-efficient and faster. It would also increase the range of electric vehicles.

In 2024, we spent EUR 83.1 million on research and development (R&D), which corresponds to around 6 percent of sales. The vast majority of these costs were attributable to wafer types for chips with smaller transistors or shorter conductor paths or wafer types for power semiconductors or for gallium nitride. This breakdown is based on projects and budgets approved by the Executive Board. We expect that the allocation of resources to research and development will have a positive impact on the environmental footprint of future product sales. Employees conduct research and development in our R&D departments, which are located at all of Siltronic's production sites. The Burghausen site is the central research and development location within the Group.

The tasks include research into future products, testing and evaluating new processes and plant modifications, evaluating new supplies and auxiliary materials, continuous improvement and integration into production lines, through to the qualification of wafers for our customers' latest technologies.

We capitalized development cost of EUR 6.3 million in the reporting year.[1]

An intellectual property portfolio of just over 1,900 registered and active patents and patent applications in around 350 patent families underpins our high innovative strength and secures our technological position as one of the leaders in the global market.

[1] Reviewed information

	2021	2022	2023	2024
R&D expenditure (EUR million)	80.4	89.5	87.6	83.1
R&D expenditure as a percentage of sales	5.7	5.0	5.8	5.9
R&D grants and subsidies received (EUR million)	0.7	0.8	2.0	1.5

Product life cycle of our wafers

The life cycle of a wafer ends when it is transformed into several chips at the customer's premises. Our wafers are designed in such a way that their quality or quantity does not diminish over time if stored appropriately. In principle, they can be processed into chips even after years of storage and, if necessary, renewed cleaning.

Determining the content of this report

Management of ESG-relevant impacts
GRI 3-1

For an explanation of our business model, please refer to the "Business and general conditions" section, for the most important organizational elements of our business model to the sections under "Business activities and Group structure" and for the main risks of our business model to the "Risk and opportunity report". The most important resource inflows for the manufacture of our product are energy, water, polysilicon and property, plant and equipment. The quantitative resource inflows and outflows shown in the following sections are measured values.

For the most important management measures for managing ESG aspects in the area of environmental and social concerns performance indicators for the issues classified as material are to be established and targets on this basis to be defined. Measures are initiated in order to achieve targets.

Like the financial performance indicators, the non-financial performance indicators are also structured hierarchically according to their materiality. In 2024, we analyzed the ESG topics relevant to Siltronic and the Executive Board defined a non-financial performance indicator for each of the most important topics. These performance indicators reflect the top level of non-financial performance indicators.

Materiality analysis to determine the content of the report
GRI 2-12, GRI 2-14, GRI 2-29, GRI 3-1, GRI 3-2, GRI 303-1, GRI 306-1

Siltronic assesses the ESG topics relevant to the company as part of its due diligence through a materiality analysis. This was carried out in 2024 with reference to the European Sustainability Reporting Standards (ESRS). According to these, the topics to be assessed are defined as material if

- there is a material impact on the company's stakeholders or the environment, or such an impact cannot be ruled out, and/or
- they pose a material financial risk or opportunity for Siltronic.

The topics defined as material in the results are included in this report. The requirements of the GRI were also taken into account in the implementation of the materiality analysis.

As part of the materiality analysis, the topics to be evaluated were first compiled (step 1) and then evaluated for materiality from two perspectives (“inside-out“ and “outside-in“ / steps 2 and 3). The results were then combined and reviewed in their entirety (step 4). The evaluations were based on the assumption that our business model and corporate strategy will not change significantly in the long term. Foreseeable future developments were taken into account within these parameters.

Step 1: Collection of topics

In the first step, the topics considered in the previous materiality analysis were compared with the sustainability aspects defined by ESRS. Experiences from Siltronic's exchange with stakeholders were considered. The ESRS system was adapted to take into account the specific circumstances at Siltronic. The result is a list of 23 sustainability aspects to be evaluated.

Step 2: Assessing the impacts (“inside-out”)

Siltronic has defined a system following ESRS as a reference to evaluate the topics from step 1 for positive and negative impacts. This includes the impacts of our business activities as well as those arising from business relationships. Impacts are determined from numerous sources, for example, from indicators collected at Siltronic, that allow conclusions to be drawn about impacts, from available scientific findings, or from the knowledge of organizations dealing with the respective topics. The depth of detail of the information varies depending on the topic and its relevance in the context of sustainability for Siltronic. Similarly, specific activities, business relationships, geographical conditions or other factors are given special consideration if they are relevant to the respective topic.

The assessment system differentiates between four categories of impact types defined by ESRS: (1) actual negative impacts, (2) potential negative impacts, (3) actual positive impacts, and (4) potential positive impacts and assesses these based on the criteria defined by ESRS: scale, scope, and (if relevant) irremedial character of the impact, as well as likelihood (if relevant). Existing preventive measures were included in the assessment of negative impacts. Similarly, the assessment of positive impacts took into account the measures undertaken by Siltronic to enhance the impacts before they occurred. Past events and foreseeable future developments were taken into account in the assessment.

The impacts are assessed on the basis of their scale, scope, their irremedial character, and likelihood, and are then categorized on a scale between 0 and 15. As part of this assessment step, managers from various departments were asked to review the preliminary assessment results and to incorporate their experiences from exchanges with stakeholders on ESG topics. In addition, a threshold is defined above which materiality is given.

If the identified impacts also result in risks or opportunities for Siltronic – for example, reputational risks or business opportunities – these are also taken into account in step 3, when assessing financial materiality.

Step 3: Assessing financial materiality (“outside-in”)

The objective of this step is to identify the risks and opportunities that have a material financial impact on Siltronic. The requirements for identifying material risks and opportunities are derived from Siltronic's risk management system (ESG risks are prioritized in the same way as other types of risk at Siltronic). The risk management system takes into account existing measures as well as past events and foreseeable future developments.

For a topic to be material in the context of this materiality analysis, the significance of the risk or opportunity must be classified as “high”. Please refer to the “Risk and opportunity report” for a description of the assessment system, including the quantitative thresholds".

Step 4: Consolidation of results

In the last step, the results are compiled and released in their entirety by the member of the Siltronic Executive Board responsible for sustainability. The results are again compared with the experiences gained from the exchange with stakeholders.

Based on the impact assessment (step 2), the following topics were identified as material:

- Climate change / energy demand / product: Siltronic's energy consumption and the CO_2 emissions caused in the upstream and downstream value chain, which are largely associated with this, but also go beyond this, were identified as material actual negative impacts. This causes Siltronic's indirect contribution to climate change and the associated effects on people and the environment, as predicted by representatives of the scientific community for the coming decades. An actual positive impact in this area has been defined as the already effective contribution of products to mitigating climate change through their use by customers (downstream value chain), which will have an even greater impact in the medium and long term. Therefore, this report follows ESRS E1 as a reference.

- Water demand: Material actual negative impacts were identified in connection with the use of water in production (own business activities), through which Siltronic indirectly contributes to some extent to the scientifically proven global social and environmental impacts of water scarcity (including poverty, biodiversity), which are expected to increase in the coming decades. Therefore, this report follows ESRS E3 as a reference. Only the aspects listed under ESRS E3 relating to water resources are relevant. Aspects related to marine resources are not relevant due to our business activities.

- Packaging waste: Material actual negative impacts were identified in connection with the waste generated at Siltronic, particularly with regard to the short, medium and long-term effects of our own business activities, which have an indirect impact on the environment. Therefore, this report follows ESRS E5 as a reference, whereby only aspects relating to packaging waste are relevant.

- Occupational safety: Material, actual negative impacts were identified in the area of safety. These relate primarily to the safety of Siltronic employees and temporary workers in production in the short, medium and long term. Therefore, this report follows ESRS S1 as a reference (with a focus on the health and safety sub-sub-topic).

- Human rights and labor standards in the supply chain: Potentially material negative impacts were associated with working conditions for workers at companies in the upstream value chain. These impacts may relate to violations of legal requirements or standards in the following areas: working hours, remuneration, social dialogue and freedom of association, occupational health and safety, equal treatment and equal opportunities as well as other labor-related rights such as child labor, forced labor, accommodation and data protection. Those effects could occur in the short, medium and long term. Therefore, this report follows ESRS S2 as a reference insofar as it concerns workers in the upstream value chain.

The material negative impacts of our business activities on people and the environment described above do not currently have a significant effects on our business model, our value chain, our fundamental business strategy and our decision-making - nor will they do so in the foreseeable future. However, they are caused by our business model - and in the case of the topics “human rights in the supply chain” and “climate change / energy” also by our business relationships with suppliers. We have therefore defined strategies for reducing these impacts.

The identified positive impacts are reflected in our fundamental business strategy with regard to its focus on wafer types that are transformed into energy-efficient chips by customers and therefore also influence our decision-making. Beyond this, these positive impacts do not currently have a significant effect on our business model and value chain – nor are they likely to do so in the future. They are partly due to our business model and are rooted in our business relationships with our customers and their requirements.

As part of the assessment of financial materiality (step 3), the materiality of one topic that had already been identified as material in step 2 was confirmed:

Climate change / energy demand / product: Increasing demand for wafers that customers can transform into energy-efficient chips or that have applications that contribute to global decarbonization was assessed as a material opportunity that actually exists today, in the medium and long term (downstream value chain).

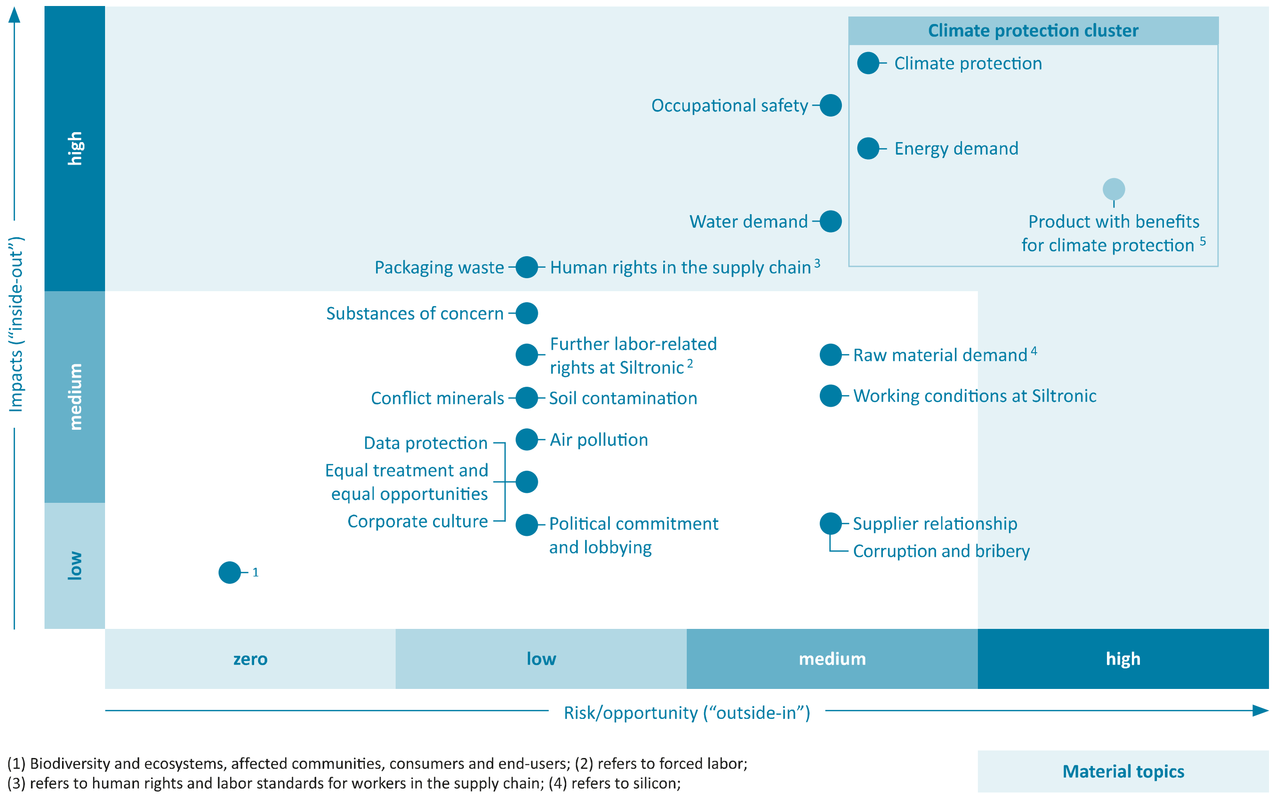
In November 2024, the ESG topics material for Siltronic were approved by the Executive Board, and the Supervisory Board was also informed about the results and their implications in a meeting.

We plan to update the materiality analysis annually.

The impact of ESG ratings on the scope of our reporting

Beyond the topics classified as material, this report also includes information on sustainability aspects that were deemed non-material in the materiality analysis. We also report on these topics because ESG ratings related to Siltronic are based on our report. The rating agencies routinely populate their assessment programs with a large amount of information taken from our ESG report. The absence of information in the input has a significant negative impact on the rating outcome.

Result of materiality analysis



(1) Biodiversity and ecosystems, affected communities, consumers and end-users; (2) refers to forced labor; (3) refers to human rights and labor standards for workers in the supply chain; (4) refers to silicon; (5) relates to the energy efficiency of chips

Performance indicators and targets
GRI 2-29, GRI 3-3

The ESG topics covered by non-financial performance indicators at the highest level are shown in the following overview. The performance indicators for 2025 are derived from the materiality analysis carried out for the first time in 2024 following ESRS as a reference but not yet fully implementing its requirements. The performance indicators for 2024 relate to the ESG topics classified as most significant by the Executive Board in 2022 and 2023.

Performance indicator and targets

Overview of non-financial performance indicators at the highest level		
	effective for the year 2025 (Basis: materiality analysis in orientation to the ESRS and based on GRI)	**effective for the year 2024 (Basis: Executive Board resolution)**
Topic with high classification Background Performance indicator Time horizon for targets	**Climate protection/energy consumption** Climate change Scope 1 and 2 emissions in relation to sales Annual target and long-term target	**Climate protection/energy consumption** Climate change Scope 1 and 2 emissions in relation to sales Annual target and long-term target
Topic with high classification Background Performance indicator Time horizon for targets	**Water demand** Resources (circular economy) Recycling rate for process and cooling water Annual target and long-term target	**Water demand** Resources (circular economy) Quantity of water withdrawn for production processes per wafer area Annual target and long-term target
Topic with high classification Background Performance indicator Time horizon for targets	**Packaging waste** Resources (circular economy) Waste recycling rate Annual target and long-term target	**Packaging waste** Resources (circular economy) Waste recycling rate Annual target and long-term target
Topic with high classification Background Performance indicator Time horizon for targets		**Raw material demand** Resources (circular economy) Efficient use of the most important raw material for Siltronic Annual target
Topic with high classification Background Performance indicator Time horizon for targets	**Occupational safety** Prevention of accidents Number of injuries in relation to working hours Annual target and long-term target	**Occupational safety** Prevention of accidents Number of injuries in relation to working hours and types of accidents Annual target and long-term target
Topic with high classification Background Performance indicator Time horizon for targets	**Human rights in the supply chain** Supply chain due diligence Coverage of suppliers assessed Annual target and long-term target	

External stakeholders were not directly involved in setting the targets for the non-financial performance indicators, but their perspectives were taken into account when determining the material topics. The performance indicators therefore reflect topics that are highly relevant to our stakeholders.

The development of the indicators at the highest ESG level is monitored throughout the year and reported to the Executive Board on a quarterly basis. In the event of negative deviations, the causes are analyzed in order to initiate measures for improvement. Indicators at the highest ESG level are not key indicators used for managing the company. Management is carried out through financial performance indicators.

Targets and target achievement for climate protection

Our long-term target is to reduce Scope 1 and 2 CO_2 emissions by 42 percent by 2030 compared to the base year 2021. Refering to scientifically based approaches, this target corresponds to a level of ambition that contributes to the goal defined in the Paris Climate Agreement of limiting climate change to 1.5 degrees Celsius, as defined, for example, by the Science Based Target initiative "SBTi". On average, Scope 1 and 2 emissions are to be reduced by five percent per EUR 1 million in sales per year. The interim target for 2024 was to emit a maximum of 197.2 t CO_2eq per EUR 1 million in sales revenue. This annual target was achieved, with 167.8 t CO_2eq emitted per EUR million of turnover. The target value for 2025 is a maximum of 185.8 t CO_2eq.

The materiality analysis carried out in 2024 did not impact our previous targets related to this topic.

Targets and target achievement for water demand

The previous long-term target for water consumption was to reduce the amount of water withdrawn for production processes per wafer area by an average of 1.5 percent per year compared to 2015. The standardized annual target for 2024 was 87.3, which was not achieved with a result of 113.8.

As a result of the materiality analysis, the recycling rate for process and cooling water will become the most important water-related performance indicator from 2025. This recycling rate is to increase by an average of 1.7 percent per year compared to the base year 2021. The water recycling rate should therefore be increased by 15 percent by 2030 compared to the base year 2021. The target value for 2025 is 9.8 percent.

Targets and target achievement for packaging waste

With regard to packaging waste, our long-term target was to increase the waste recycling rate by an average of 1.5 percent per year compared to 2015. The standardized annual target for 2024 was 73, which was not achieved with a result of 67.

The materiality analysis in 2024 resulted in a change in the target for this performance indicator. The year 2021 was set as the base year in order to provide one common base year for all targets for the non-financial performance indicators. As part of this, the target value for increasing the waste recycling rate was set at an average of 1.0 percent per year. We are aiming for a waste recycling rate of 80 percent in 2030, corresponding to an increase of 10 percent compared to the base year 2021. The target value for 2025 is 75.6 percent.

Target and target achievement for silicon demand

For 2024, the Executive Board had defined the annual target that the normalized yield from the raw material silicon for 2015 would reach at least 102. The target was not achieved in 2024 with a result of 98.3.

As part of the materiality analysis carried out in 2024, the performance indicator was moved from the highest level to the next level below. From 2025, the indicator will no longer be included in the top-level performance indicators.

Targets and target achievement for occupational safety

In accordance with the Executive Board resolution, the long-term occupational safety target for Siltronic was a maximum of 2.0 occupational accidents with lost days per one million working hours. This was also the annual target for 2024. The target was not achieved in 2024 with a result of 2.4.

The materiality analysis in 2024 resulted in a change to the target value for this performance indicator from 2025. In future, the accident frequency rate, still defined as occupational accidents with lost days per one million working hours, is to fall annually until the target value of 0.5 is reached in 2030. Corresponding interim target values have been set for the years 2025 to 2030 - the target value for 2025 is 1.5.

A second occupational safety target was relevant for 2024: No work-related accidents involving chemicals. The target was achieved in 2024.

As part of the materiality analysis carried out in 2024, the latter performance indicator was moved from the highest level to the next level below. From 2025, the indicator will no longer be included in the top-level performance indicators.

Target for human rights and labor standards in the supply chain

This topic was classified as high for the first time in the materiality analysis carried out in 2024, so there was no related target relevant for the 2024 reporting year.

In the coming years up to 2030, the proportion of key suppliers with human rights audits is to be continuously increased to over 90 percent. Key suppliers cover more than 50 percent of our purchasing volume. Corresponding targets have been set for the years 2025 to 2030. For 2025, the aim is to achieve a coverage rate of 80 percent, based on a coverage rate of 75 percent in 2024.

The most important stakeholders of Siltronic
GRI 2-29

Due to its extensive activities, Siltronic affects individuals and groups inside and outside the company, the environment as well as other companies and public bodies in a variety of ways. The determination of the stakeholders that were assessed as the most relevant is based in particular on the number and scope of interactions with these groups, their influence on Siltronic and possible mutual effects as well as risk exposure.

The exchange with stakeholders enables us to understand the interests and viewpoints of key stakeholders in relation to our strategy and business model, as well as any potential impact on stakeholders. The findings are incorporated into the materiality analysis. The results of the materiality analysis determine the focus areas of our ESG strategy, which in turn forms part of our overall corporate strategy. In this way, we take the interests and viewpoints of our stakeholders into account in our corporate strategy. The following table shows the flow of information between Siltronic and the most important stakeholders.

Regular direct exchange	Further sources for determining requirements
Siltronic workforce	
Discussions with employees Company meetings and news on the intranet Meetings on ESG-relevant topics Meetings with works councils Meetings with employee supervisory boards	Reports via Integrity Line Reports via ombudsman Reports via compliance officers
Customers	
Product-related joint development projects Issuance of ESG-related declarations Discussions on ESG priorities and Siltronic's performance Evaluation of our ESG performance through questionnaires and audits Supplier days at customers’	Analysis of customers’ ESG reports Topics covered by Responsible Business Alliance Reports via Integrity Line
Suppliers	
Contract negotiations on ESG-related clauses Evaluation of the ESG performance of suppliers (audit, assessment) Exchange on ESG aspects in the context of discussions Joint commitment to the Responsible Business Alliance	Topics covered by Responsible Business Alliance Analysis of suppliers’ ESG reports Topics covered by Responsible Business Alliance Reports via Integrity Line
Workers in the upstream supply chain	
Direct exchange not possible as Siltronic has no access to contact details of employees in the upstream supply chain	Risk analyses of the supply chain with regard to employee concerns Evaluation of ESG performance of suppliers in the "Labor" area Participation in initiatives of Responsible Business Alliance Reports via Integrity Line
Shareholders, analysts, lenders, insurance companies	
Annual general meeting with annual report Meetings (individual, roadshows) Talks with lenders and insurance companies	Evaluation of ESG ratings on Siltronic Questionnaires from banks and insurance companies
Government authorities and multinational associations	
Exchange in the context of applications and reviews Monthly payment of social security contributions and taxes	Analysis of new and existing ESG-relevant regulations UN Global Compact and Sustainable Development Goals
Interested parties of the public (including local residents)	
Individual inquiries from media representatives Press releases, annual report, homepage Emergency telephone (residents)	Reporting on Siltronic in the media / social media Information from NGOs on ESG topics relevant to Siltronic Reports via Integrity Line
Environment / nature	
No direct exchange, as 'silent stakeholder'	Survey of key indicators on environmental impacts Scientific opinion, especially on climate change

Environmental information

SDGs 6 to 8, 12 and 13; UN Global Compact Principles 7 to 9; Responsible Business Alliance Code of Conduct Topic C

Relevance of energy

GRI 3-3, GRI 302-1, GRI 302-3

A substantial part of the transformation process of the purchased raw material silicon into a wafer takes place at high temperatures and in air-conditioned cleanrooms. As this requires a lot of energy, wafer production is energy-intensive. In 2024, energy consumption totaled around 861 GWh, which corresponds to an increase of 8.7 percent compared to the previous year. Electricity is by far the most important source of energy.

Energy consumption

in GWh	2015	2022	2023	**2024**
Electricity	573.5	666.1	680.9	749.3
Steam, heat	72.3	65.1	63.3	59.0
Natural gas	40.3	44.3	46.6	50.9
Fuel	10.4	0.9	1.4	1.7
Total	**696.5**	**776.4**	**792.1**	**860.9**

The proportion of energy consumption covered by renewable energy sources was 32.6 percent, and the proportion from fossil sources was 67.4 percent. In 2024, 1.1 GWh or 0.1 percent of energy consumption was covered by self-generated electricity.

Rising energy costs at our production sites have a noticeable negative financial impact on us. Taxes or levies relating to greenhouse gases are an important driver of rising electricity costs.

The ratio of sales according to the consolidated financial statements to energy consumption is as follows: On average in 2024, sales of EUR 1.0 million were accompanied by an energy consumption of 609 MWh (previous year: 523 MWh). When comparing the figures over time, it should firstly be noted that sales are subject to considerable exchange rate fluctuations. Siltronic reports in EUR, but the invoicing currency is predominantly USD. The change in the EUR/USD exchange rate only affects sales, not energy consumption. Secondly, a large part of the production of wafers takes place in cleanrooms, whose energy demand does not correlate with the quantity produced for physical reasons. Thirdly, when making annual comparisons, it should be borne in mind that the manufacture of products that have not yet been sold has an impact on energy consumption, but not on sales. The reverse is true if products manufactured in the subsequent period are sold - in this case, there is no energy consumption, but sales are fully generated. Such effects can balance each other out or add up. In the reporting year, energy consumption also arose from the ramp-up of the new factory in Singapore.

Due to the high energy consumption, the greenhouse gas emissions associated with our production are not insignificant. For this reason, the topics of energy consumption and climate protection have been classified as high in the materiality analysis. Against the backdrop of climate change, there is a trend towards increasing the energy efficiency of electronic devices, the electrification of transportation and the increased use of renewable energies. This is boosting demand from our customers and, as a result, demand for wafers (see "Risks and opportunities from our business model with regard to ESG").

Greenhouse gas emissions and Siltronic's climate action plan

Scope 1, 2 and 3 emissions

GRI 2-4, GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4

The Group-wide CO_2 balance sheet is a key element for improving climate protection, because energy consumption has an impact on greenhouse gas emissions unless the energy is generated from renewable sources.

We determine the direct greenhouse gas emissions and report them as "Scope 1" as is customary internationally, the indirect emissions from the purchase of energy as "Scope 2" and the emissions in the value chain as "Scope 3". The values are part of the annual CDP assessment.

Greenhouse gas emissions

in t CO_2 eq.	2022	2023	**2024**
GHG Scope 1	10,441	11,601	12,998
GHG Scope 2 (location based emissions)	244,060	260,942	289,205
GHG Scope 2 (market based emissions)	263,537	243,390	224,053
GHG Scope 3.U (upstream emissions)	790,521	1,275,642	823,688
GHG Scope 3.D (downstream emissions)	1,386,102	1,927,176	1,723,293
Sum GHG Scope 1, 2 (location based) und 3	2,431,124	3,475,361	2,849,184
Sum GHG Scope 1, 2 (market based) und 3	2,450,601	3,457,810	2,784,032

The reporting methodology is in line with the GHG Protocol reporting guidelines for Scope 1 and 2 as well as Scope 3. We use the latest emission factors from the IEA, DEFRA and the IPCC report to calculate greenhouse gas emissions.

Scope 1: Direct greenhouse gas emissions at the sites are mainly caused by the stationary combustion of natural gas and diesel as well as the use of climate-relevant gases as coolants. In 2024, direct emissions increased by 12.0 percent year-over-year to 12,998 t CO_2eq. Proportionately, CO_2 emissions from combustion processes rose by 9.6 percent and CO_2 emissions from other climate-relevant gases by 20 percent. The increase in Scope 1 emissions is due to maintenance work. We are continuously working on more effective use and substitution with gases with a lower greenhouse effect.

Scope 2: Indirect emissions arise from the generation and provision of energy (electricity, heat) by our energy suppliers. The location-based approach means that the emissions are based on the factors of the respective country. In the market-based approach, the factors are based on those of our energy suppliers.

Scope 2 emissions market-based amounted to 224,053 t CO_2eq in the reporting year, a decrease of 7.9 percent compared to the previous year.

Scope 3: These emissions were determined for all relevant categories of the GHG Protocol for the year 2024, whereby hybrid approaches, average data methods and expenditure-based as well as supplier- and customer-specific methods were used for the individual categories. Simplifying assumptions are also used for non-material categories. We use currently available data for the calculation (in some cases this relates to the previous year). The quantitative data is subject to a high degree of uncertainty due to the nature of the process. For 2024, we have adjusted the calculation methodology for certain upstream categories in order to improve accuracy. The updated methodology was applied retrospectively in order to keep previous years' emissions consistent up to the base year (previous year's figures adjusted).

In Scope 3, categories 3.1, 3.2, 3.10 and 3.11 are particularly relevant for us. The other upstream and downstream categories together account for less than 10 percent of total Scope 3 emissions.

The decrease in Scope 3 emissions compared to the previous year – 35 percent for upstream emissions and 11 percent for downstream emissions – is due to a decline in construction activities, a lower purchasing volume and fewer emissions from suppliers and customers.

Scope 3 emissions

in t CO2 eq.	2023	**2024**
Upstream		
3.1 Purchased goods and services	772,467	431,094
3.2 Capital goods	424,913	315,811
3.3 Energy and fuel related activities	40,291	38,726
3.4 Upstream transportion and distribution	24,791	25,842
3.5 Waste	4,213	4,697
3.6 Business travel	4,774	3,311
3.7 Employee commuting	3,664	3,649
3.8 Upstream leased assets	530	558
Downstream		
3.9 Downstream transportion and distribution	35,558	29,001
3.10 Processing of sold products	792,642	657,929
3.11 Use of sold products	1,088,861	1,027,369
3.12 End-of-life treatment of sold products	10,116	8,994
3.13 Downstream leased assets	0	0
3.14 Franchises	0	0
3.15 Investments	0	0

The ratio of sales to the sum of greenhouse gas emissions from Scope 1 and Scope 2 as well as Scope 3 is shown in the following table, whereby sales correspond to the income statement of the consolidated financial statements.

Sales related CO_2 intensities

in t CO_2eq/EUR mn sales	2023	**2024**
Scope 1+2 marketbased	168.4	167.8
Scope 1+2 location based	180.0	213.9
Scope 3 upstream and downstream	2,116	1,803

Development of greenhouse gas emissions in the reporting year
GRI 3-3, GRI 305-5

Our internal activities to reduce these emissions focus on increasing the efficiency of energy use (Lever 1) and are supplemented by the purchase of electricity from renewable energy sources via market instruments such as green electricity certificates with guarantees of origin (Lever 3). Additional voluntary compensation mechanisms were not used in 2024. In 2024, self-generated renewable energy in the form of solar power was also used (Lever 2).

Lever 1 – Energy efficiency: In 2024, we were able to implement savings projects with a sustainable reduction in energy consumption of 15.8 GWh (previous year: 10.9 GWh). These measures thus contribute to a sustainable reduction of 5,111 t CO_2eq (previous year: 3,095 t CO_2eq).

Lever 2 – Own generation of renewable energy: Since May 2024, 1,113 MWh of electricity has been generated from our own photovoltaic system at the plant in Portland and consumed at the site. This corresponds to a total share of 0.1 percent of electricity consumption.

Lever 3 – Procurement of renewable energy: For our Portland site, we purchased wind energy certificates totaling 2,902 MWh (previous year: 2,271 MWh). For the Burghausen and Freiberg sites, guarantees of origin from wind and hydropower plants were purchased for a total of 76,000 MWh of electricity for 2024 (previous year: 40,000 MWh). Green electricity amounting to 60 GWh was procured for the Burghausen and Freiberg sites in 2024 under a long-term electricity procurement contract. In total, this corresponds to 18.5 percent of electricity consumption (previous year: 6.2 percent).

This enabled us to reduce our CO_2 emissions (Scope 1 and 2, market-based) per sales by a total of 27.6 percent (target: 15 percent) compared to the base year 2021. Since 2021, we have reduced the absolute amount of CO_2 emissions by a total of 27.3 percent (annual average 9 percent) or a total of 88,918 t CO_2eq.

To further reduce our Scope 3 emissions, we motivate and support our employees to travel to work as safely and environmentally friendly as possible. To this end, Siltronic supports employees financially with a bicycle leasing program and operates shuttle buses for employees at the Burghausen site. At the Portland site, we provide our employees with subsidies for public transportation tickets and in Singapore, Siltronic offers shuttle buses from the plant to various regions.

Climate action plan of Siltronic

GRI 2-24, GRI 3-3, GRI 201-2, GRI 305-5

In our environmental policy statement adopted by the Siltronic Executive Board in 2024, we set out our commitment to climate protection and defined our ambition to contribute to the Paris Climate Agreement

To this end, Siltronic is aiming for "net zero" for its greenhouse gas emissions caused directly (Scope 1) and indirectly through the purchase of energy (Scope 2) by 2045 at the latest. To achieve this, these emissions are to be reduced to almost zero by 2045. Once the potential for reducing Scope 1 and 2 emissions has been largely exhausted, other measures should be considered (e.g. savings elsewhere, removal from the atmosphere) in order to achieve our net zero target.

Despite planned growth and the associated significant increase in energy consumption, greenhouse gas emissions are to be reduced by 42 percent by 2030 compared to the base year 2021.

With regard to Scope 3 emissions caused in the value chain, Siltronic's target is for 80 percent of our key suppliers to have set scientifically based climate targets by 2030 that contribute to the Paris Climate Agreement and for us to report on their achievement annually. The target for 2045 is 95 percent. We have set ourselves an interim target of 75 percent for 2028. The key suppliers cover more than 50 percent of our purchasing volume and 80 percent of our greenhouse gas emissions caused by purchased goods and services. With this target, we are focusing on the part of Scope 3 emissions that we can best influence.

With these targets, Siltronic is making a contribution to the climate agreement adopted in Paris in 2015 to limit global warming to a maximum of 1.5 degrees Celsius: The target of 1.5 degrees is the central reference point for Siltronic with regard to the depth of reduction of emissions according to Scope 1 and 2 for the target years 2030 and 2045. To this end, the CO_2 intensity, measured by CO_2 emissions in relation to sales, is to fall by an average of at least 5.0 percent per year between 2021 and 2030.

To achieve its climate targets, Siltronic has committed to gradually increasing the proportion of renewable energy to 60 percent by 2030 and to 100 percent by 2045. To underpin our commitment to renewable energy, Siltronic joined the RE100 initiative in November 2023. RE100 is a global corporate initiative that promotes the exclusive use of renewable energy. With this membership, we want to contribute to removing one of the biggest obstacles to global decarbonization: the insufficient amount of green electricity available in many energy markets.

Overall, Siltronic plans to achieve the above-mentioned climate targets for its Scope 1 and 2 emissions through the following measures:

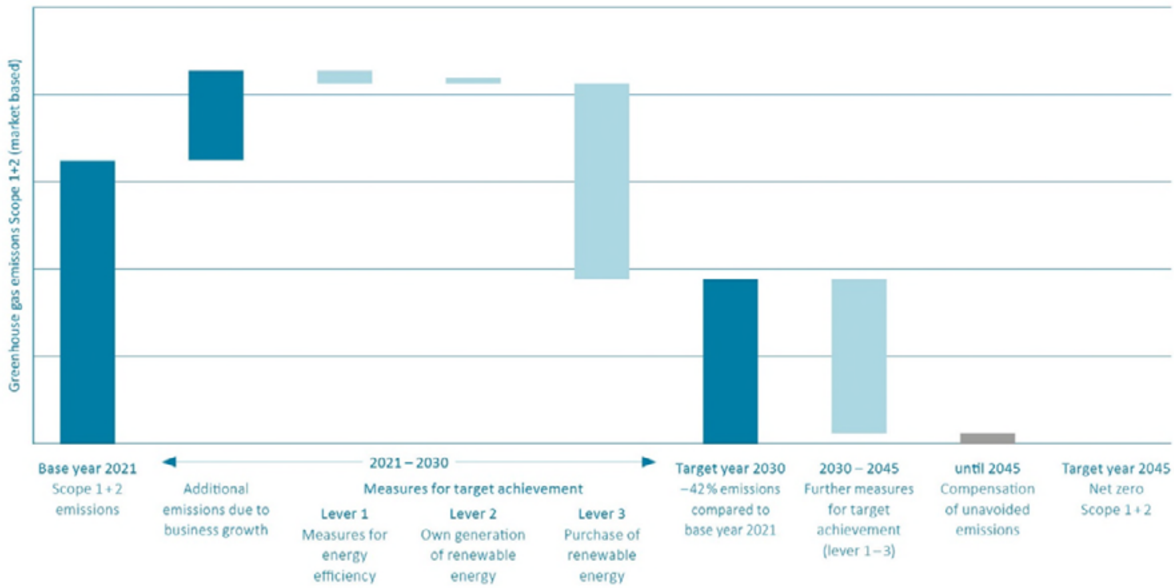
- Lever 1 or increasing energy efficiency: Less than 5 percent of the necessary savings in greenhouse gas emissions in 2030 are to be made possible by increasing energy efficiency and reducing energy intensity, for example through optimized production processes or the use of more efficient equipment.
- Lever 2 or own generation of electricity from renewable energies: We generate a small amount of electricity from renewable energies ourselves. This should contribute around one percent to achieving the targets in 2030.
- Lever 3 or promotion of projects and procurement of electricity from renewable energies: The purchase of electricity from renewable energy via market instruments such as green electricity certificates with guarantees of origin or via power purchase agreements (PPAs) for the supply of electricity from renewable energy should contribute to a share of around 95 percent of the reduction in CO_2 emissions in 2030.

Our Climate Action Plan has a target for CO_2 intensity per million euros in sales. The intensity is to be reduced by at least 5.0 percent per year on average. For 2024, this resulted in an upper limit of 197.2 t CO_2eq per million euros in sales. The target was achieved with a result of 167.8 t CO_2eq per million euros in sales.

Achieving the targets for reducing Scope 1 and 2 emissions and increasing the proportion of electricity from renewable energy by 2030 and 2045 is subject to the proviso that the framework conditions regarding the availability of renewable energy for our site in Singapore improve significantly by 2030 and beyond.

The following diagram shows the magnitude of the decarbonization levers that Siltronic intends to use to achieve its reduction targets for Scope 1 and 2 emissions by 2030.

Climate Action Plan



Capture of CO_2 from the ambient air or through reforestation projects will not initially be used at Siltronic. From 2045 at the latest, when the potential for reducing Scope 1 and 2 emissions has been largely exhausted, we plan to undertake such measures in order to subsequently achieve our net-zero target.

The implementation of the climate action plan in the reporting year consisted of consciously purchasing significant amounts of electricity from energy suppliers, which account for less CO_2 emissions. We also invested EUR 1.4 million in projects to reduce greenhouse gas emissions in the reporting year.

The cost of realizing the Climate Action Plan depends on two factors. Firstly, the speed with which electricity from renewable energy sources will be available for our production sites in the coming years is a decisive factor. Secondly, the future price of eligible green electricity certificates is significant. We do not expect any material negative effects from this in the short or medium term. As we do not see any negative impact on our business model, we also do not consider the long-term effects to be material.

The Corporate Responsibility department is responsible for implementing the climate action plan. The head reports directly to the Chief Financial Officer. The target achievement of the climate action plan and the relevant measures are regularly reviewed at Executive Board level.

Our resilience analysis of the assets showed that they are not significantly impaired by climate change. To this end, we analyzed in 2024 whether the assets would lose a significant amount of their value over the planned useful life due to substantial climate change. Physical risks and transition risks were taken into account. Locked-in greenhouse gas emissions related to key assets and products are, in our assessment, not significant for Siltronic.

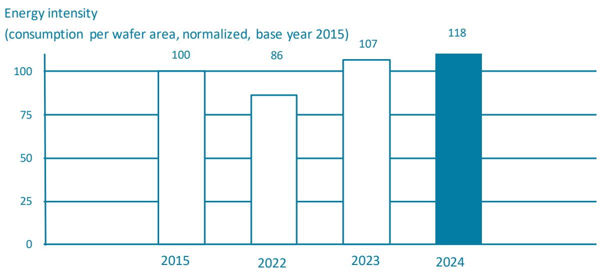
Measures to reduce energy intensity

GRI 3-3, GRI 302-4

To manage energy demand with a focus on CO_2 emissions, Siltronic uses a key indicator. The key indicator "efficiency of energy use" relates energy consumption to production volume, which in Siltronic's case is the wafer area.

Siltronic has set itself the strategic energy target of achieving an average reduction in specific energy consumption of 1.5 percent per year (base year 2015). From this, we derive annual energy saving targets in MWh for the individual sites and absolute targets for the production areas based on the planned production volume.

To reduce energy intensity, projects are initiated and implemented to reduce specific energy consumption. Sustainable reductions have been achieved in recent years, particularly through improvement projects in the areas of lighting, adjustment of cooling water demand and optimization of production processes.



Numerous measures in 2024 were aimed at increasing energy efficiency. In total, the measures correspond to a sustainable reduction in energy consumption of 15.8 GWh per year (previous year: 10.9 GWh) and an equivalent value of around EUR 2.6 million (previous year: EUR 1.6 million) or 5,054 t CO_2eq (previous year: 3,095 t CO_2eq). The annual target of an average reduction in energy intensity of 1.5 percent was not achieved in 2024 due to reduced production capacity utilization and the ramp-up of the new factory in Singapore.

For the relevant investments, please also refer to the information on the EU taxonomy. The company-wide energy management system at the Burghausen, Freiberg and Munich sites is certified in accordance with the ISO 50001:2018 standard.

Electricity from renewable energies
GRI 3-3, GRI 302-1

In 2024, the share of renewable energy in our total electricity demand amounted to 37.4 percent according to the criteria of the Greenhouse Gas Protocol (previous year: 28.3 percent). If the stricter criteria of RE100 are applied, according to which the proportion of green electricity shown in standard supply contracts may only be taken into account if it is additionally documented by green electricity certificates, the proportion of renewable energies in electricity amounted to 18.5 percent in the reporting year (previous year: 6.2 percent). RE100 is a global corporate initiative that promotes the exclusive use of renewable energies.

Electricity from renewable energies was procured for 2024 via unbundled green electricity certificates (guarantees of origin or renewable energy certificates from plants less than six years old at the Burghausen, Freiberg and Portland sites). In the 2023 financial year, Siltronic also concluded negotiations on a power purchase agreement (PPA) for the supply of electricity from renewable energy, including the associated guarantees of origin for the Burghausen and Freiberg sites. This agreement is expected to result in deliveries of electricity from renewable energy sources amounting to 60 GWh per year in the years 2024 to 2033.

In 2024, a total of 138,780 green electricity certificates were purchased, of which 59,878 certificates were bundled via the aforementioned PPA and 78,902 were unbundled certificates.

In the reporting year, a solar power plant with a capacity of 1.4 MWp was also commissioned to generate our own electricity. In 2024, 1,113 MWh of self-generated electricity was used for production. None of this electricity was fed into the public grid.

In the future, further PPAs are to be concluded to achieve our CO_2 reduction targets by 2030 and existing contracts are to be switched to green electricity tariffs. In addition, we are currently exploring the possibility of installing another solar power system at a further site.

As part of its membership of RE100, Siltronic has committed to gradually increasing the proportion of renewable energies to 60 percent by 2030 and to 100 percent by 2045.

Other climate-related information

We apply an internal pricing system for CO_2, which we use for an initial assessment of climate-relevant measures. The internal CO_2 price is used as a shadow price with no influence on economic results.

Management of water

Importance of water for Siltronic
GRI 3-3, GRI 303-1

In our materiality analysis, we identified our water demand as a topic of high relevance. There are several reasons for this.

First of all, the industry in which we operate is very water-intensive. Our customers, the manufacturers of chips, have a very high demand for water. When our customers operate large plants in areas with a high water risk, public supply systems can be put under considerable strain. However, the need for water is not a consequence of our product or our deliveries, but rather of the production process on the customers' side. Siltronic does not have a customer profile that is particularly exposed to customers with a significantly above-average water risk. The remaining question is whether the high water demand typical of our industry is also relevant for Siltronic. We consider our production to be very water-intensive.

We carry out an annual assessment of our production sites with regard to water risks. This involves assessing physical, legal and reputational risks. The most important elements in the assessment are the WWF water risk filter, analyses by CDP, the assessment of insurance experts and a differentiation of water catchment area and production. The physical risks are based on the aspects of water shortage and water quality. Our risk analysis for the production sites did not indicate a high overall risk classification. However, due to the high water demand, the importance of the water topic was rated as high in the materiality assessment:

Water risk assessment – operational water risk

Water risk assessment per site	Burghausen	Freiberg	Portland	Singapore
Physical	medium	medium	medium	medium
Legal	medium	low	very low	very low
Reputation	very low	very low	very low	very low
Total risk	**medium**	**medium**	**medium**	**medium**

According to the current assessment with the water risk filter, no site is located in a water catchment area with a high physical water risk.

Water is considered an increasingly ecologically valuable resource, according to current scientific findings. By using water in its own production, Siltronic contributes indirectly to a certain extent to the scientifically proven global social and ecological effects of water scarcity. We are unable to quantify Siltronic's contribution to the extent of these indirect impacts.

As we have not been approached by residents, communities, other companies or the public sector about water scarcity at any site in the past, we have not consulted with stakeholders in relation to water.

At company level, water does not currently represent a significant financial risk for Siltronic. The cost of water, including infrastructure and treatment, accounts for only a very small proportion of production costs. Even a significant increase in the cost of water in the medium or long term – which we do not expect – would not represent a significant financial risk.

Commitment and targets for water stewardship
GRI 2-24, GRI 3-3, GRI 303-1

We address the high demand for water through our commitment to protecting the ecologically and socially valuable resource of water (Water Stewardship), which the Siltronic Executive Board has anchored in our environmental policy statement.

We have underpinned our commitment with long-term and short-term targets. The Executive Board regularly receives reports on target achievement, discusses underlying factors and takes action where necessary. Additionally, we report annually on our progress toward these targets. The targets were adjusted in 2024 on the basis of the materiality analysis. The risk analyses described above are also included in the materiality analysis.

The most important target regarding water demand so far was to reduce the amount of water withdrawn for production processes per wafer area by an average of 1.5 percent per year compared to 2015. The standardized annual target for 2024 was 87.3.

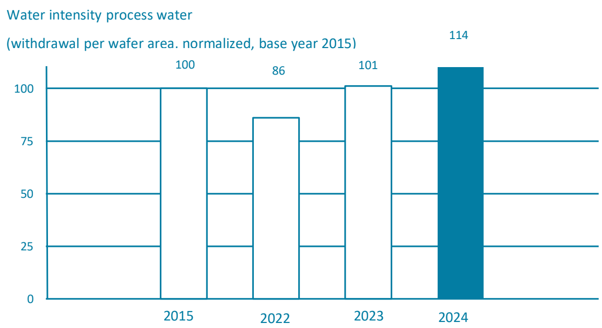
For 2024, a subordinate target in the strategy was to increase the recycling rate for process water by an average of 1.5 percent per year, measured against the base year 2015. For 2024, this meant a recycling rate target of 73 percent.

Both targets will no longer be valid starting from 2025. As part of the materiality analysis carried out in 2024, a new water-related performance indicator on the highest level was defined. This indicator focuses on water recycling and, unlike the previous target, includes not only process water but also cooling water. In addition, the associated target is based on the reference year 2021, as with all other non-financial performance indicators at the highest level: The recycling rate for process and cooling water is to increase by an average of 1.7 percent per year compared to the base year 2021. This water recycling rate is therefore expected to increase by 15 percent by 2030, relative to the base year 2021.

Measures and target achievement for water stewardship
GRI 3-3, GRI 303-1

Our strategy for the responsible use of water is primarily based on optimization projects. The Environment, Health and Safety (EHS) department is responsible for implementing the activities for the efficient use of water within the Group. The department reports to the Chairman of the Executive Board.

The drivers for the decline in water intensity from the base year 2015 to 2022 were projects to optimize water use and increasing capacity utilization. This also included feeding water used in a production process to other manufacturing processes. Nevertheless, we were unable to achieve our overarching target of a standardized value of 87.3 for water intensity for 2024.



The increase in water intensity compared to the previous year is due to lower production capacity utilization and the water required for the ramp-up of our new factory in Singapore.

In 2024, optimization projects were also implemented to increase the water recycling rate at two large production sites. In the reporting year, water with a volume of 2.8 million m3 was thus reused or recycled by feeding it from one process to another (previous year: 2.5 million m3). The recycling rate for process water amounted to 28.3 percent across the Group in 2024 (previous year: 28.1 percent). The target of a process water recycling rate of 29.2 percent defined for 2024 - along with the goal of reducing the recycling rate for process water by an average of 1.5 percent per year compared to the base year 2015 - was not achieved with this result.

Recycling ratio of process water

in % of water volume used	2015	2022	2023	2024
Water recycling ratio	25.5	28.6	28.1	28.3

Another cornerstone of our water stewardship strategy is to re-view investments for their ability to contribute to the responsible use of water. For example, we equipped our factory in Singapore, which opened in 2024, with state-of-the-art water systems. In 2024, investments in projects to increase water efficiency amounted to EUR 2.6 million. This included projects for water recycling and wastewater treatment. The costs of implementing the projects recognized in profit or loss are not material.

Water demand, water use, and wastewater
GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

Overall, the key figures for cooling water, process water and wastewater developed as described in the following paragraphs.

Cooling water: We use cooling water in our production facilities as a flow-through cooler or evaporative cooler. For both types, appropriate safety concepts ensure that the cooling water subsequently discharged is not contaminated. In the reporting year, demand amounted to 16.7 million m3 (previous year: 16.1 m3). As cooling water is not exposed to contamination, unlike in the production areas, Siltronic assigns considerably greater importance to the water used in the production processes.

Process water: The demand for the production of wafers and wafer material amounted to 7.1 million m3 in 2024 (previous year: 6.4 million m3). The majority of this water is used in cleaning steps and relates to ultra-pure water of the highest quality. Water of such purity is necessary to meet the extreme requirements for the purity of wafer surfaces. In 2024, we used 5.7 million m3 of ultrapure water (previous year: 5.5 million m3).

The total volume of water used for production per EUR 1.0 million in sales amounted to 5,007 m³ in the reporting year (previous year: 4,208 m³).

Estimates do not play a significant role in the volumes stated.

Wastewater: In 2024, we directed 7.4 million m3 of operational wastewater to external wastewater treatment facilities (previous year: 6.3 million m3). Operational wastewater does not include cooling water.

We monitor the chemical oxygen demand (COD) as a relevant wastewater parameter. In the reporting year, the COD value amounted to a total of 769.7 tons. Compared to the base year 2015, this corresponds to an increase of 17 percent.

Wastewater parameters

	2015	2022	2023	2024
Indirect discharge in million m³	6.5	6.5	6.5	7.4
COD total in t	725.2	703.2	657.1	769.7

Waste management

Reuse of product packaging (circular economy)
GRI 3-3, GRI 301-3, GRI 306-1, GRI 306-2

In our materiality analysis, we identified waste as an issue of high importance, particularly with regard to the short, medium and long-term effects of the waste generated in our (own) business activities: the waste generated at Siltronic can have indirect effects on the environment. These can include excessive consumption of resources, the release of greenhouse gases and pollutants, soil and water pollution, energy consumption during disposal and the loss of valuable recycled materials. These indirect effects of our business activities are difficult to quantify.

With this in mind, we want to avoid unnecessary waste. Accordingly, we have set out our commitment to the responsible handling of waste in our environmental policy statement, which was adopted by the Siltronic Executive Board in 2024: We want to reduce, reuse and recycle materials wherever possible in order to reduce waste generation.

As our production process is limited to converting the raw material silicon into the raw material wafers, and since we ship many millions of wafers per year to customers in their packaging, the greatest waste-related impact can be achieved through waste prevention in outgoing packaging. Packaging waste from the procurement of raw and auxiliary materials is much lower, as these materials are much less sensitive to surface contamination, physical damage to the surface, moisture, and temperature fluctuations compared to wafers.

We do not expect any reportable financial effects due to material risks and opportunities arising from impacts in connection with the use of resources and the circular economy.

To avoid packaging waste, we have been using a system of reusable packaging for shipping wafers to our customers for around 20 years. This reusable system is primarily used when shipping 300 mm wafers. It consists of the reusable product packaging FOSB, in which wafers are placed, and the reusable transport container Hybox. One Hybox can accomodate twelve FOSBs. Since both the FOSB and Hybox impact the customer's production process, the customer must agree to the use of this reusable system.

Regarding Hybox reusable transport container: In 2024, 93 percent of our 300 mm wafers were shipped to our customers in Hyboxes. By using this reusable concept, we were able to avoid 1,814 tons of waste from single-use packaging in the reporting year (previous year: 1,793 tons). The Hybox consists of the box itself and its inserts, both of which are easily recyclable.

The box is made entirely of polypropylene, one of the most commonly recycled materials according to UBA (Umweltbundesamt, environment agency of the German government). As long as the Hyboxes are not damaged, there is no limitation to their useful life. The inserts are made entirely of expanded polypropylene, a foamed plastic composed of 96 percent air and produced without CFCs or other greenhouse gases. This material is highly durable and fully recyclable.

Regarding FOSB reusable product packaging: We are committed to increase the proportion of wafer deliveries in FOSB. In 2024, we exceeded our target reuse rate of at least 40 percent by achieving 47 percent. As this product packaging is also used in cleanrooms, the requirements for reuse are very high from a quality perspective.

Legal requirements for the reuse of product packaging are not applicable to us.

The EHS department is responsible for implementing activities to limit packaging waste. The department reports to the Chief Executive Officer.

Recycling and disposal of waste

GRI 2-24, GRI 3-3, GRI 301-1, GRI 301-3, GRI 306-3, GRI 306-4, GRI 306-5

We differentiate waste according to treatment methods and hazardousness, with the disposal of hazardous waste being particularly important. The disposal routes and the classification of waste into the categories "hazardous" and "non-hazardous" are based on local statutory or quasi-statutory regulations.

Waste recycling ratio

in % of waste volume	2015	2022	2023	**2024**
Recycling ratio	63.8	70.7	71.2	67.0

in t	Non-hazardous	Hazardous	**Total**
Recycling	6,075	4,491	10,566
Disposal	557	4,651	5,207
Total	6,631	9,142	15,773

The strategic target of increasing the waste recycling rate by 1.5 percent in 2024 was not achieved. Since the base year 2015, the recycling rate has increased by 5 percent with a slight reduction in waste intensity.

Based on the materiality analysis carried out in 2024, the base year for this target was adjusted to align all non-financial indicators at the highest level with a common base year of 2021. Going forward, the target is to increase the waste recycling rate by an average of 1.0 percent per year from the 2021 baseline. We are therefore aiming to increase the waste recycling rate by 10 percent compared to the base year 2021. This change will take effect from 2025.

The Executive Board receives regular reports on the achievement of targets, discusses the background and takes action where necessary.

As we have not been approached by residents, communities, other companies or the public sector on the subject of waste at any of our sites in the past, we have not consulted with stakeholders on the subject of waste.

The Executive Board has anchored its commitment to reducing hazardous waste in particular in our environmental policy statement. To this end, projects to reduce or recycle hazardous waste will continue to be initiated.

The investments and costs recognized in profit or loss to achieve improvements in packaging waste do not have a significant impact on Siltronic's financial and earnings position.

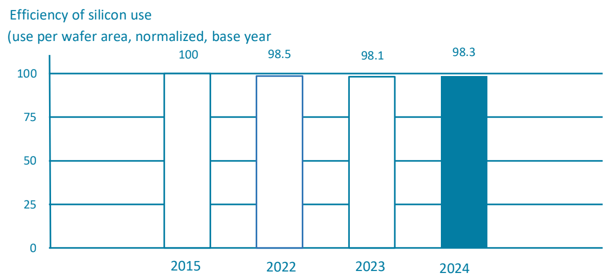
Management of raw materials and supplies

Importance of raw materials and supplies for Siltronic

GRI 301-1, GRI 301-2

The performance indicator "Efficiency of silicon use" has the particular effect of promoting the Company's own raw material recycling.

We set an annual target value for this key figure. The following chart shows the annual development of the key figure "Efficiency of silicon use":



The increasing physical and chemical demands on the specifications of wafers have a positive effect on the energy efficiency of electronic devices, but a negative effect on the efficiency of silicon use: We tend to have to use more silicon in order to produce wafers that meet the stricter specifications. Not all wafer types are affected by the increasingly demanding specifications, but many are. In addition, the product mix resulting from customer orders has an impact on silicon efficiency.

Due to a change in the product mix and the ramp-up of machines in the new factory in Singapore, we were unable to achieve our target for the key figure "Efficiency of silicon use". We will not slacken our efforts to further reduce the use of silicon, as in previous years.

In addition to the raw material silicon, auxiliary materials such as chemicals, gases and polishing agents play a role in our production process. As the individual auxiliary materials are of less importance to us than silicon, there is no key indicator for these that is reported to the Executive Board.

There are no legal targets that apply to us for the reuse of silicon.

Silicon does not currently represent a considerable financial risk for Siltronic. However, the cost of the raw material is one of the cost types that make up a material proportion of the production costs.

By-products are not produced to any significant extent in the production of wafers.

Circular economy: Measures to reduce the use of raw materials, including recycling
GRI 301-2, GRI 306-2

The will and motivation to achieve goals leads to new ideas being developed and tested. If it becomes clear that their use in production is promising, investments are made to implement them. Setting a target for the performance indicator "Efficiency of silicon use" has a positive effect on the specific consumption of silicon in the medium and long term. As in previous years, we will provide personnel and financial support for research, development and production projects aimed at increasing the yield of silicon at all sites.

As investments to improve the efficiency of silicon use are generally accompanied by other improvements in the production process, it is not possible to provide an isolated value for investments that is directly and solely based on silicon efficiency. For the same reason, the costs affecting expenses cannot be shown; they are part of the personnel and material costs in the R&D area.

The extraction of silicon from the recycling of chips is currently neither possible nor foreseeable for physical reasons due to the extreme demands on the purity of silicon that we require in the production process.

Compared to our silicon demand, the need for other substances is of secondary importance. The other materials relate to auxiliary materials. We are working on improving the production steps with the aim of reducing the specific consumption of auxiliary materials. The specific reduction is generally achieved through recycling (for example, reductions in polishing agents and cleaning baths).

Substances of concern
GRI 2-27

'Substances of concern' is a general term for chemical substances that may have potentially harmful effects on health or the environment. In practice, such substances are classified into different hazard or concern categories.

The European Union identifies substances of particular concern under the REACH regulation. These substances are listed on the so-called SVHC list (Substances of Very High Concern) and must meet strict criteria, such as being carcinogenic, mutagenic, toxic, or highly persistent. The substances contained in our products are not included in the SVHC list, and our products do not fall under the REACH regulations.

The chemical substances we use are subject to the respective regional chemical regulations. To ensure compliance with these requirements, we have established specific guidelines. Responsibility for adherence lies with the managers to whom the relevant duties have been assigned. They are supported by the Environment, Health, and Safety (EHS) department, which reports directly to the CEO.

Additionally, our company-wide compliance management system is designed to ensure the proper handling of substances of concern and to prevent, identify, and sanction compliance violations.

A company-wide analysis of our compliance risks has found no indications that the chemical substances we use pose any risks beyond the usual level associated with these substances.

Environmental pollution, biodiversity and ecosystems

GRI 2-25, GRI 101, GRI 305-7

In terms of environmental pollution, we consider emissions to air and nitrogen oxides to be the most important topics, after the aforementioned waste. Reduction projects have been planned and implemented in this area.

NOx emissions amounted to 64 tons in 2024 (previous year: 67 tons). Compared to the previous year, NOx emissions were reduced by 4.1 percent. To minimize our NOx emissions, we use suitable extraction and scrubber systems at all locations.

NMVOC and dust were not classified as relevant environmental aspects, but continue to be monitored internally. In 2024, we emitted 59 tons of NMVOCs and 1.9 tons of dust.

Emissions to the air

in t	2015	2022	2023	**2024**
NO_x	77	78	67	64
NMVOC	38	54	48	59
Dust	1.5	2.3	2.1	1.9

We operate four very compact production sites located in industrial areas in Burghausen/Germany, Freiberg/Germany, Singapore and Portland/USA (Oregon). We do not expect any significant effects on our business model from aspects relating to biodiversity and ecosystems.

The site of our subsidiary Siltronic Corp. in Portland is located in an area that has been used for industrial purposes for around 100 years. Due to the recognized contamination in the area, authorities imposed requirements for the monitoring and the remediation of the environmental pollution many years ago. The existing environmental pollution was not caused by Siltronic, but by previous owners and neighbors of the property. Siltronic Corp. is involved because, as the owner of the property, the company is liable for environmental damage. In order to fully comply with these requirements, an employee has been appointed who is responsible for the coordination and management of Siltronic Corp.'s environmental measures. This measure is designed to ensure that the necessary consultations with the authorities are carried out, formalities are fulfilled, qualified environmental experts are engaged, and remediation work is coordinated. The relevant developments do not deviate significantly from our expectations. We are also in contact with neighboring companies and other parties that have to meet the same or similar requirements in the relevant area. Siltronic Corp. had concluded policies with several insurance companies covering environmental risks. Based on the policies, two insurance companies paid a total of EUR 45 million to Siltronic Corp. in 2019. The company uses this to finance running costs in connection with local environmental pollution. There are also claims against other insurance companies. We assume that the payments received, together with the other insurance cover, are sufficient to cover future costs.

Further information

Investments in environmental improvement measures amounted to EUR 5.9 million in the 2024 reporting year (previous year: EUR 31.1 million). We allocate these investments to the environmental aspects. Air accounted for EUR 1 million (previous year: EUR 15.5 million), waste for EUR 0.6 million (previous year: EUR 0.7 million), water for EUR 2.6 million (previous year: EUR 11.6 million) and climate protection for EUR 1.4 million (previous year: EUR 3.1 million).

Water treatment projects were implemented and completed at all locations in the reporting year. At the Portland site, the installation of the photovoltaic system was completed, and the system was put into operation.

We evaluate our environmental aspects annually using an ABC analysis and set targets and improvement programs for the relevant aspects at site level. We have identified the following relevant environmental aspects for the 2024 reporting year: Energy – electricity consumption; Water – water withdrawal; Air – emission of NOx; Soil – amount of waste and soil contamination.

Information on social aspects

SDGs 3 to 5, 8 and 10; UN Global Compact Principles 1 to 6 and 10;
Responsible Business Alliance Code of Conduct Topic A and B

Headcount and personnel planning strategy

The information in this section of the report relates to employees and temporary employees. Together they form the workforce.

Statistical information on employees

GRI 2-7, GRI 401-1, GRI 405-1

As at December 31, 2024, the Siltronic Group had 4,357 employees (previous year: 4,455), whose breakdown by country is shown below. (The average number of employees stated in the notes to the consolidated financial statements was calculated according to the same principles).

Number of employees (headcount) on the balance sheet date

	Men	Women	Total	Share of total
Germany	**2,029**	**530**	**2,559**	**59%**
of which on permanent contracts	1,881	486	2,367	
of which on temporary contracts	148	44	192	
Singapore	**1,035**	**357**	**1,392**	**32%**
of which on permanent contracts	1,034	356	1,390	
of which on temporary contracts	1	1	2	
USA	**247**	**103**	**350**	**8%**
of which on permanent contracts	247	103	350	
of which on temporary contracts	–	–	–	
Other countries	36	20	56	1%
Employees in the Group	**3,347**	**1,010**	**4,357**	**100%**

3,825 employees (previous year: 3,907) worked full-time and 532 part-time (previous year: 548). Of the part-time employees, 44 percent were women and 91 percent of part-time employees were on permanent contracts. The part-time employees were almost exclusively employed in Germany. Zero-hour contracts or comparable arrangements do not play a role at Siltronic.

In the reporting year, 315 employees were hired, 76 of whom in Germany and 239 abroad. The hires corresponded to seven percent of the annual average workforce. In the same period, around five percent of employees resigned, and Siltronic gave notice to less than 0.5 percent of employees. There was no significant seasonality in the number of redundancies.

At the end of 2024, the average age of the typified employee was around 44 years. The following table shows the age structure of Siltronic employees worldwide.

	Male	Female	Total
up to 29 years of age	10%	3%	13%
30 to 50 years of age	41%	13%	54%
over 50 years of age	26%	7%	33%
Total	**77%**	**23%**	**100%**

Importance of temporary employees
GRI 2-8

As the semiconductor industry has historically experienced pronounced upswings and downswings and we have to cope with such changes, we pursue a flexible strategy in our personnel planning. This strategy includes covering a certain demand for personnel in Germany with temporary workers; this also protects the core workforce. If there are production peaks due to a pronounced upswing, temporary workers are deployed in production. Conversely, if a downswing necessitates savings in personnel costs after reducing overtime and flexitime, we first reduce the number of temporary workers. If this is not sufficient, the next step is to examine internal redeployment options and not extend fixed-term employment contracts. In the third step, we examine the introduction of short-time working in those areas that are particularly affected by a downturn.

In order to react in a timely manner to a significant change in the order situation, the personnel requirements resulting from incoming orders are continuously compared with the current and future headcount. Planned measures to significantly increase or reduce the number of employees are discussed by representatives of employers and employees in a structured process. The last time short-time working had to be used was in 2012.

As at December 31, 2024, 183 temporary employees (headcount) were working at Siltronic (previous year: 234), 117 of whom were men and 66 women (previous year: 165 and 69 respectively). The temporary employees are provided by temporary employment agencies. The majority of temporary employees at Siltronic work in production in Germany. The number of temporary employees was reduced in the reporting year due to capacity utilization.

Temporary workers are the only significant group of non-employees and only in Germany is the number of temporary workers for Siltronic worth mentioning. We pay at least the wage in accordance with the collective agreement on industry surcharges for temporary workers in the chemical industry. In addition, there are workplace, shift and other voluntary bonuses, which can vary depending on the production company and the site. In addition, Siltronic fulfills the requirements for equal pay in accordance with the German Temporary Employment Act (‘Arbeitnehmerüberlassungsgesetz’). Like the employees of Siltronic AG at the sites in Germany, the temporary workers employed at these sites also received a profit-sharing payment in 2024 for their contribution to the company's success in 2023.

Termination of production of a product type in Germany
GRI 402

In March 2024, Siltronic decided to gradually cease the production of one product type at its Burghausen site. Implementation is to be completed in the course of 2025. Approximately 400 employees are affected by the termination, around half of whom are on fixed-term and temporary employment contracts. The workforce will be reduced in a socially responsible manner without dismissals for operational reasons. This will be achieved through internal transfers at the site, demographic changes and partial retirement.

It is important for the Executive Board to live up to its responsibility as an employer and to do everything possible to implement the reduction of workforce in the most socially responsible way possible.

Prior to the decision to close, the issue was discussed constructively with the local works council and the co-determined Supervisory Board on several occasions. The implementation of the closure was jointly supported by the employees and the employer. A reconciliation of interests was signed in June 2024.

There are regular constructive exchanges between the local works council and the management of Siltronic in Germany to implement the reconciliation of interests. In this way, the Executive Board is informed about the effectiveness of the measures and can evaluate the results. In addition, the implementation of the reconciliation of interests is discussed in the co-determined Supervisory Board.

Provision of appropriate remuneration and social insurance for employees
GRI 2-30, GRI 401-2

In order to attract new employees and retain existing ones, both of whom we need for a successful future, we must offer remuneration in line with the market. We believe that employees in the Group receive appropriate remuneration. This assessment is based on relevant reference values.

99 percent of employment relationships with employees relate to locations in Germany, Singapore and the USA. These are modern industrial nations with a functioning labor market and modern labor laws that are enforced by the state. The remaining one percent of employees work in sales offices in major modern cities in South Korea, Taiwan, Japan and mainland China. Our employees there all have qualified training and we pay them appropriately (in Germany, we are bound by collective agreements, while abroad, we have compared granted compensations with national averages).

Our workforce has always been strongly unionized, particularly in Germany. As employees are not obliged to disclose their union membership and it is not permitted for the employer to ask, we do not know the number of union members. Irrespective of union membership, all employees in Germany are represented by elected works councils.

As Siltronic is bound by collective bargaining agreements in Germany, employees are treated as if the respective collective bargaining agreement applied, regardless of their membership in a trade union. The procedure ensures that employees at the German sites are remunerated appropriately.

All Siltronic employees in Germany are covered by a collective bargaining agreement (around 79 percent of employees are covered by collective bargaining agreements, and around 21 percent receive remuneration above the collectively agreed level) and all employees in Germany are covered by the social dialogue between the employer and employee representatives. At Siltronic in Singapore and Portland, there is no collective bargaining coverage and no social dialogue via employee representatives. Including temporary employees, 60 percent of the Group's employees are covered by collective agreements and social dialog via employee representatives.

In addition to fixed remuneration, all employees receive variable remuneration if defined financial indicators are achieved. The variable remuneration in Germany is the result of a social dialogue with employee representatives.

In Singapore, in line with the Responsible Business Alliance industry initiative, we apply regulations on working hours and recruitment fees that go well beyond the local legal standard. We commit ourselves to cover all expenses incurred when hiring foreign workers. These include, in particular, costs for travel, medical examinations, visas and other official travel documents.

All Siltronic employees were entitled to social protection in the reporting year and in the previous year.

Further development and training courses
GRI 404-1, GRI 404-2, GRI 404-3

Competent employees keep Siltronic innovative and competitive. We encourage our workforce to be lifelong learners and to remain flexible to change, because we believe that we all need to adapt to longer working lives in order to cope with demographic change. We offer extensive opportunities for further development so that our employees can make the most of their potential. The training measures relate to personal, management, social and professional skills. For new employees, Siltronic AG offers a structured onboarding process for specific target groups as well as onboarding seminars to familiarize them with our company and our corporate culture.

All employees and their managers discuss development measures at least once a year as part of employee appraisals (for the breakdown of employees by gender, please refer to the information under "Statistical information on employees"). This applies to every level of employee and every location.

The trainings on offer range from management seminars in the production area to modular project management courses lasting several days. In addition to training courses on the Code of Conduct, employees must complete selected mandatory training courses depending on their role.

In 2024, a total of 4,893 employees took part in 81,364 hours of training, comprising 57,439 hours of mandatory training and another 23,926 hours of further training measures. On average, each participant received 17 hours of training. Of all participants, women completed an average of 13 hours of training and men 18 hours. From our partner companies, 1,094 participants attended the offered or mandatory training sessions in 2024.

Annual feedback meetings with employees
GRI 404-3

We have implemented formalized individual performance reviews in which the employee receives feedback from the manager on how the employee's development is viewed and how their skills and potential are assessed. Another area of the appraisal interview concerns the employee's feedback to the manager. This feedback is important to gain insights into employee satisfaction, to identify widespread concerns among employees and to obtain a broad perspective on important topics (for example, on organizational measures, strategic decisions or the provision of information to the workforce).

To ensure the sustainability of our success, we have a process in place for many years to promote potential candidates ("talent management"). In an annual performance cycle, all non-tariff employees and senior managers are evaluated according to uniform criteria in internal and cross-divisional conferences. At the subsequent Siltronic conference, all potentials are presented to the Executive Board in order to initiate individual development paths. On this basis, specific development measures are discussed in an annual meeting between employees and managers. This way, we aim to fill challenging positions with internal candidates in the medium and long term. Individual development paths also promote employee loyalty to Siltronic.

Behavior among each other and communication between the workforce and the Company

Conduct towards one another, leadership as a role model and compliance with local laws are set out in Siltronic's Code of Conduct, which applies throughout the Group. The Code of Conduct is publicly available on the Internet.

Siltronic regularly informs its employees about current developments that could have an impact on the course of business. Employees receive prompt and comprehensive information on significant operational changes. In doing so, we comply with the relevant national and international information obligations.

Another form of open communication at Siltronic AG is that employees can submit questions to the Company management in advance of employee meetings using a form on the intranet. These questions can also be asked anonymously. Temporary staff can participate in the meetings in the same way as employees. At the quarterly meetings, the Executive Board explains current topics, discusses the corporate strategy and outlines the effects, opportunities and risks. All participants in the works meetings can ask questions and present their views. We consider the meetings to be valuable events.

In accordance with the statutory regulations of the top parent company, the Executive Board is monitored and advised by the Supervisory Board. The employees delegate six people to this Supervisory Board. Through the Supervisory Board, employees and trade unions can contribute their views and influence corporate decisions. Please refer to the Supervisory Board report and the Declaration on corporate governance for information on the nature, scope and frequency of the Supervisory Board's involvement in the Group's business.

In addition, members of the Executive Board of the top parent company meet with elected employee representatives at least once a quarter outside of Supervisory Board meetings. This also gives the Executive Board an insight into the views of the workforce. At foreign locations without statutory employee representation, employees are appointed to act as contacts for employee concerns. They can then contact the local management. Negative effects on the workforce can thus be addressed in order to initiate measures to eliminate them.

On top of the various feedback channels, we organize regular meetings with selected employees in Singapore, where they have the opportunity to provide feedback on their work environment, personal development, safety, etc.

We consider the exchange of information and cooperation with employee representatives to be constructive and based on trust. This is reflected not least in the fact that there have been no strikes or work stoppages within the Group in the last 20 years.

Diversity
GRI 405-1, GRI 2-24

The Executive Board of Siltronic assumes responsibility with regard to diversity at Siltronic. This is demonstrated by the fact that the Group's Executive Board has signed the Diversity Charter on behalf of Siltronic as well as the Equality Charter of IG BCE. On top, the Executive Board fosters actively diversity initiatives, such as the 'Klischeefrei' initiative or 'Zusammenland', another initiative pointing out the advantages of diversity. The Executive Board also promotes the relevant issues in internal communications, in particular through articles involving Executive Board members on the intranet. This lays the basis for a corporate culture that is characterized by mutual respect and esteem for each and every individual.

Equal opportunities
GRI 401-2

We reject unequal treatment or disparagement based on gender, ethnic origin, religion or ideology, skin color, disability, sexual orientation, age or similar forms of discrimination. These principles apply throughout the Group and are formally embedded in our corporate culture in writing. The strategy for implementing equal opportunities and preventing discrimination consists of implementing reporting systems and training.

In line with equal opportunities, we advocate equal pay. Accordingly, we reject any unequal treatment in remuneration based on gender, ethnic origin, religion, etc. In addition to a fixed salary and variable remuneration, remuneration includes various company benefits that go beyond the statutory minimum requirements and that can differ depending on the region. These benefits are granted regardless of whether an employee works full-time or part-time.

Implementing diversity
GRI 2-26, GRI 2-29

Siltronic operates in Europe, the USA and Asia and therefore in an environment of different cultures. Employees from many different nationalities work together on a daily basis in every production company and across all locations. One focus of our efforts is to create an environment that can capitalize on the benefits of a diverse society. The diversity of the workforce, with its different skills and talents, opens up opportunities for innovative and creative solutions. Diversity includes gender, nationality, ethnic origin, religion and disability. We also address the issue of diversity at our sites abroad.

Siltronic AG has appointed a diversity officer for its German sites. There is also the "Siltronic Women Network" at the German sites. In Portland, there is a Diversity Officer who leads the efforts for equality and inclusion at this site. The site offers ongoing diversity, equity and inclusion (DEI) training. By joining "Portland Means Progress", Siltronic in the US is committed to continuing to promote a diverse workforce and culture. In Singapore, we have a program that covers topics such as appreciating the diversity of people, respectful interaction with colleagues, and non-discrimination. In the reporting year, we also launched a mentoring program initiative to promote future diversity, feedback culture and knowledge management within the Company and between its employees.

In the countries where Siltronic has employees, there are no political obligations with regard to inclusion or support measures for groups that would be particularly vulnerable within our workforce.

The strategy on equal opportunities and diversity is also applied in our recruiting processes.

Employees can report possible discrimination to their line manager, the compliance officer, the works council, the HR department, the ombudsman or via the digital whistleblower system. The content of the complaint is reviewed and the complainant is informed of the outcome. All employees at the German sites are required to undergo training to familiarize themselves with the General Equal Treatment Act.

Proportion of women and men at management level

Our long-term target is to improve the diversity of the workforce at Siltronic. This includes increasing the proportion of women in management positions.

As part of the performance management process, the target was set to achieve a 15 percent share of women with potential in the group of senior managers and non-tariff employees. This target was exceeded with 24 percent in 2024.

On the balance sheet date, the Executive Board consisted of two men and one woman. At the first management level below the Executive Board, 18 people were employed across the Group, 89 percent of whom were men and 11 percent of whom were women.At the parent company Siltronic AG, the positions in the top two management levels below the Executive Board were held by men and women as follows at the end of 2024:

	Men	Women	Total
Employees in the Group at management level	42	7	**49**
in percent	*86*	*14*	***100***
of which first level below Executive Board	14	2	**16**
in percent	*88*	*13*	***100***
of which second level below Executive Board	28	5	**33**
in percent	*85*	*15*	***100***

The Corporate Governance Report contains additional information on the proportion of women in Germany.

Compliance with equality and diversity requirements is regularly checked as part of RBA audits.

People with disabilities

We support and promote disabled people. Line managers, employees, the HR department, representatives for severely disabled employees and the health service work closely together to ensure that employees with health impairments can remain in their jobs or move to a suitable position. In Germany, an average of 155 severely disabled people and persons with equivalent status worked in 2024 (2023: 171), which corresponds to an employment rate of around 5 percent. If applicants disclose their severe disability, the representative body for severely disabled employees is involved in the entire application process.

For years, Siltronic has employed more severely disabled persons in Germany than required by law. Consequently, the payment of a compensatory levy was not due.

We also work together with workshops for the disabled. For example, Siltronic obtains packaging from the Ruperti Werkstätten at its Burghausen site.

Further information regarding employees

GRI 2-21, GRI 401-3, GRI 405-2

The maximum permitted working hours per employee depend on the laws and existing collective and individual agreements applicable in the country of operation. In accordance with our Code of Conduct, we do not tolerate any overruns. In order to achieve a very high level of certainty that working hours are not exceeded, we have implemented automated reports and controls. These are designed to prevent and detect working time violations.

Leave for family reasons includes maternity, paternity and parental leave as well as time for caring for relatives. The right to maternity, paternity and parental leave is an employee right at all locations. Employees in Germany and in other countries also make use of this right. As at December 31, 2024, 46 employees were on parental leave, 22 women and 24 men. The proportion of employees entitled to this right cannot be determined due to legal regulations regarding data protection. (Employees in Germany are not required to report a claim for family leave, and the legal protection of privacy prevents us from asking employees, for example, about a new paternity or caregiving responsibilities for family members.)

Siltronic supports its employees in Germany with the costs of childcare with a one-off subsidy. In addition, our employees can apply for family leave up to a child's age of eight, which allows up to five days of additional leave. In the event of illness or the need to care for a relative, we offer support in Germany with leave of absence options or part-time models.

In the 2024 reporting year, employees across the Group were honored for their many years of service to the Company of up to 40 years. At our sites, more than 60 employees were recognized for 40 years of loyalty to Siltronic in the reporting year.

The gender pay gap according to the formula "average gross hourly pay level of male employees minus average gross hourly pay level of female employees in relation to the average gross hourly pay level of male employees" is 9 percent. This difference does not mean that men and women are paid differently for the same work; rather, it is structurally rooted:

Firstly, at Siltronic in Germany, more men work in higher-paid technical professions than women. Salary structures and developments for technical and other professional groups are largely defined in collective agreements. Since technical professions are primarily occupied by men, the average gross hourly wage for men is higher compared to women. Secondly, women often experience delayed career development during family-oriented life stages. This also contributes to – thirdly – the significantly lower proportion of women in leadership positions or shorter tenure within the leadership circle. Fourthly, the regional distribution of women and men across Siltronic locations amplifies the gender pay gap. A higher proportion of women in Singapore, where the overall income level is lower, reduces the average gross earnings of women compared to men. At the same time, international leadership positions at Siltronic are primarily based in Germany, where the income level and the proportion of men in leadership positions, as mentioned, are high.

To reduce the pay gap, we are working, among other things, to hire more women in technical professions and make these professions more attractive. For example, we specifically offer a "Girls' Day" at our German locations, where we introduce women to our technical professions. In addition, we have set ambitious goals for women in leadership positions and aim to actively promote them. As part of the annual performance review and succession planning, Siltronic places a clear focus on this. Siltronic wants to attract and retain the best available talents. For this reason, attractive, market-oriented compensation and appropriate participation in the Company's success are self-evident. We pay our employees based on job-related criteria and in line with local market requirements. The criteria for job evaluation and associated compensation are independent of gender.

The total remuneration of the highest-paid individual in the reporting year was around EUR 1.7 million. The average remuneration per full-time employee in the Group, excluding the Chairman of the Executive Board, was EUR 83 thousand. A comparison of the average remuneration received by Siltronic employees at the sites in Germany, Singapore and the USA, including social security contributions, with the average salary in the respective country, including social security contributions, did not reveal any indication that remuneration was too low. The average income per country is based on statistics published by the authorities (Federal Statistical Office of Germany, Ministry of Manpower in Singapore, Bureau of Labor Statistics in the USA). Employees in Germany, Singapore and the USA account for almost all employees in the Group.

Occupational safety

Importance of occupational safety and evaluation of accident trends

GRI 2-24, GRI 3-3, GRI 403-2, GRI 403-9, GRI 403-10

In our materiality analysis, we identified occupational safety as a topic of high importance, although we do not consider the number or severity of accidents to be a cause for concern. Responsibility towards the entire workforce in the area of safety plays a major role at Siltronic because we want to recognize problems early and take measures in good time. This is expressed in preventive measures that cover all entities.

The Executive Board receives regular reports on the frequency of accidents, accidents with lost working days, accidents involving chemicals and other relevant accidents, including the results of root cause analyses and corrective measures.

The Executive Board member responsible for EHS is responsible for implementing occupational safety measures, including plant safety, at the highest level in the Group.

The targets for 2024 were 2.0 for the injury frequency (LTIR) and zero for work-related accidents involving chemicals and days lost. The following table shows the development of the key indicators that the Executive Board has linked to these strategic targets.

Occupational accidents

	2021	2022	2023	2024
Injury frequency rate (LTIR)[1]	4.5	3.8	2.4	2.3
Injuries involving chemicals[2] – Number of employees affected	2	6	1	–

[1] Injury frequency: number of injuries (employees and temporary workers) with lost time per 1 million working hours
[2] Number of injuries (employees and temporary workers) with lost time involving chemicals

The three-year trend for injury frequency (LTIR) – i.e. the injury frequency for 2024 compared to the average injury frequency for the three previous years 2021, 2022 and 2023 – is therefore a reduction of 34 percent.

We did not achieve our target for working accidents in the reporting year. There were 19 accidents at work resulting in days lost, which led to a calculated accident frequency rate of 2.3 in 2024. In the course of the materiality analysis carried out in 2024, we adjusted our injury frequency target. In future, the injury frequency rate, still defined as the number of injuries with lost time per one million working hours, is to fall annually until the target value of 0.5 is reached in 2030. Corresponding target values have been set for the years 2025 to 2030 – and the target value for 2025 is 1.5.

In 2024, no work-related accidents involving chemicals and days lost occurred. Thereby we achieved our target of zero in 2024.

We are not aware of any notifiable work-related illnesses or deaths as a result of work-related illnesses.

There have been no fatal occupational accidents in the last three years within Siltronic's area of responsibility. The data includes employees of Siltronic and partner companies.

Measures to reduce accidents

GRI 2-24, GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-8

With our comprehensive safety program, we are continuously working to improve the safety of the working environment. This includes, in particular, the appointment of safety officers, safety tours, training, discussions with the operating teams and emergency drills. This aims to identify and prevent unsafe actions at all sites – whether when operating equipment, handling chemicals, in the factory, in the office or on the way to and from work. Despite these measures, accidents do occur. The occupational health and safety standard ISO 45001 has been defined as a Group-wide standard and certified at our sites. The safety program covers all employees, temporary workers and external parties at sites with production facilities.

The main causes of accidents are still behavior-related. We are therefore continuing initiatives that specifically address these causes and are designed to help our workforce prevent accidents. These include the Safety Plus program as well as the reporting of safety-critical situations and measures during the induction of new employees, as our internal statistics show a higher accident risk for this group in the first few months.

The number of accidents with lost days remained unchanged compared to the previous year and, as in the previous year, there was an accumulation of accidents at our German sites. At the request of the CEO, a comprehensive occupational safety campaign was launched in 2023 and continued in 2024. The campaign included on-site management inspections. As part of these inspections, teams of two managers, two representatives of two other departments and one accompanying person from the Quality or EHS departments visit selected areas of production, shipping, workshops and laboratories. The aim is to identify potential for improvement in discussions with employees and to strengthen a shared awareness of quality and safety.

The "Safety Officer Workshop" implemented at our German sites in 2019 was continued in 2024 with seven workshops. The elements of our established Safety Plus program, such as tours, on-site discussions with employees and Total Quality Management rounds at the plants, were also implemented without restrictions.

To prevent accidents as far as possible, we have set up a global system for reporting near misses. By systematically processing these incidents, we aim to avoid actual accidents at work as far as possible. In 2024, 2,041 near misses (previous year: 1,914) were recorded and analyzed. This means that 6.6 percent more near misses were reported compared to 2023.

In accordance with our Code of Conduct, our suppliers are bound to comply with applicable laws and the principles set out in the Code of Conduct, which include health and safety.

In order to reduce the risk of accidents at our suppliers, we have drawn up a safety manual. Among other things, it contains rules of conduct, the names of contact persons and a description of site-specific conditions. Suppliers undertake to ensure that any subcontractors they use fulfill the requirements of the safety manual. For example, the commencement of activities at Siltronic on site requires successful completion of local site training. Subcontractors must confirm in writing that their local employees have taken note of the content of the safety instructions and that they will instruct and monitor them. Consequently, the same safety measures apply to suppliers and subcontractors as to employees of and temporary workers at Siltronic.

Plant safety

GRI 403-1, GRI 403-2

The safe operation of our production facilities in all regions is a key element of our EHS management system. Despite the utmost care, plant incidents cannot be ruled out.

We have set a target of a maximum of two plant incidents (process safety incidents, PSI, as defined by CEFIC and ICCA). We achieved this target with zero incidents in 2024 (previous year: 5).

Through our management of change process, we ensure that all new installations or changes to existing installations comply with safety requirements and that the relevant safety experts are involved. We use systematic safety analyses to identify risks. Among other things, we analyze the impact that possible individual errors can have on a chain of events leading up to an incident or accident and define protective measures.

The investments and costs recognized in profit or loss in connection with occupational and plant safety do not have a significant negative impact on Siltronic's financial position and results of operations.

Further health protection measures

GRI 403-3, GRI 403-6

Siltronic supports preventive healthcare programs for our employees. These include health check-ups, participation in the "Fit at Work" prevention program, a health week and on-site flu vaccinations.

Value chain

SDGs 7 to 9; UN Global Compact Principles 1 to 10; Responsible Business Alliance Code of Conduct Topic E.1

Procurement and supplier management

GRI 2-6

Our purchasing volume was around EUR 1.3 billion in 2024 (previous year: EUR 1.8 billion). We work with around 3,900 suppliers worldwide, with 7 percent of our suppliers accounting for around 90 percent of our purchasing volume. The volume is distributed with nearly 40 percent in Asia and over 60 percent in Europe and North America. The most important procurement areas relate to capital goods, the raw material polysilicon, auxiliary and operating materials and services.

The most important objectives of our procurement are to continuously improve procurement costs, increase the quality of deliveries and services, reduce risks in the supply chain, develop alternative suppliers and promote sustainability, including social responsibility, in the supply chain. The adherence to the targets and the implementation of the necessary measures fall under the responsibility of the Chief Financial Officer at the Executive Board level.

Our impact on workers in the supply chain

In our materiality analysis, we identified potential violations of human rights and labor standards among workers in the upstream value chain as an issue of high significance. The key factors here are potential negative impacts in the following areas: working hours, remuneration, social dialogue and freedom of association, occupational health and safety, equal treatment, and equal opportunities as well as other labor-related rights such as child labor, forced labor, accommodation and data protection. We anticipate potential impacts in the short, medium and long term.

We are not aware of any actual negative impacts of our business activities on workers in our supply chain in the area of human rights or incidents in this area beyond the deviations identified and remedied in supplier assessments or audits. Our targets and activities are aimed at reducing potential impacts in this regard. We are also not aware of any material negative impacts on workers in the supply chain caused by our business practices.

There is an increased risk of violations in the areas of child and forced labor in countries that have a legal system that offers less protection than industrialized nations. In addition, individual groups of workers are inherently more affected by certain potential impacts than others. For example, women are more affected by gender discrimination than men, and safety risks are more significant for workers employed in production than in other areas of the company. In addition, employees in countries with weak labor legislation and low wages often have less protection against poor working conditions and violations of labor rights. We counter these increased risks with our measures.

The limitation of materiality to the upstream value chain is due to the fact that the human rights management systems at suppliers are not yet as well developed as those at Siltronic and at customers. In addition, Siltronic has less transparency about working conditions in its supply chain, as it can be more complex than on the customer side.

The risks and opportunities for Siltronic arising from the topic of human rights in the supply chain are assessed as low for Siltronic and therefore not material in terms of the materiality analysis.

Strategy to mitigate impacts on workers in the supply chain

GRI 2-23, GRI 2-24, GRI 2-26, GRI 3-3, GRI 308, GRI 414-2

We have developed a strategy to prevent potential negative impacts on workers in the supply chain. The strategy described below has three starting points. Firstly, we commit our suppliers to our Code of Conduct and that of the Responsible Business Alliance. Secondly, we carry out risk analyses with focus suppliers and check compliance with our requirements on a random basis. Thirdly, workers in the value chain can contact us via the complaints channels set up by Siltronic. The targets listed below support the expansion of our measures in our supplier base.

Collective action through industry approach

Siltronic has been a member of the Responsible Business Alliance since 2019. This world's largest industry alliance aims to drive and anchor social responsibility in global supply chains further, better and in a more structured way. Through the Responsible Business Alliance, we exert collective influence on industry practices. This can bring about far-reaching improvements in working conditions in the upstream value chain, particularly through higher standards throughout the industry.

Commitment of suppliers

We commit our suppliers to our Code of Conduct and that of the Responsible Business Alliance: In our Code of Conduct, we document our fundamental expectations of our suppliers regarding respectful treatment of their employees and the environment based on the principles of the UN Global Compact and Responsible Business Alliance initiatives. This includes points such as the avoidance of forced labor and child labor, maximum weekly working hours, fair wages, responsible treatment of the environment and impeccable business ethics (via the Code of Conduct, suppliers must not tolerate corruption, for example). We oblige our business partners to comply with these requirements via the General Terms and Conditions. We communicate our targets and measures in the areas of sustainability and corporate responsibility to our suppliers, for example at supplier days.

Evaluation and review of suppliers

Siltronic has had a comprehensive supplier management system in place for many years. The system is designed to ensure that suppliers continuously improve in the areas of quality, service, delivery risks and costs and act responsibly in the area of sustainability with regard to working conditions, ethical standards, safety standards and the use of local resources. If necessary, corrective or improvement measures are developed together with the suppliers and followed up.

We continuously evaluate the performance of over 100 suppliers worldwide. These suppliers represent our global procurement volume. For this purpose, we have various rating systems at our disposal to assess the risk potential and performance of our partners.

In accordance with the rules of our supplier management system, we also regularly carry out comprehensive assessments of the ESG risks of our supplier base. In doing so, we take into account the geographical location, the type of business activity and the volume of business we conduct with suppliers. The risks considered are divided into categories. Employment practices, health & safety, environmental aspects, business ethics and the maturity of management systems are taken into account. In 2024, the ESG risk potential of over 3,800 of our suppliers was assessed in this way.

Based on the results of this risk analysis, we select focus suppliers for a more detailed investigation. In addition to suppliers with a high procurement volume or high-risk potential, service providers whose employees work in our global production facilities together with our own staff are particularly important to us. To precisely assess the risks of these focus suppliers, we primarily use the extensive self-assessments of the Responsible Business Alliance. By the end of 2024, we have received and evaluated self-assessments from over 85 percent of our focus suppliers. These cover well over half of our total purchasing volume. On average, our suppliers achieved 85 out of a possible 100 points. We regularly monitor and report on the progress of the evaluation of our supplier portfolio both in the procurement management circle and at Executive Board level and reflect this against the targets we have set.

In addition to our own risk analyses of our supplier portfolio, we take reports on human rights violations and changes in legislation as an opportunity to specifically examine our supply chain and check compliance. Since 2022, we have analyzed the raw material polysilicon as our most important supply chain. Our aim was to achieve transparency across all stages of polysilicon production and to ensure that no subcontractor involved in any of these stages is engaged in publicly known human rights violations. We did not find any evidence of violations.

In 2024, we again conducted ESG audits of our suppliers using our own qualified auditors. We distinguish between dedicated ESG audits based on a complete list of criteria and an ESG assessment as part of supplier audits, in which compliance with the most important requirements of our own Code of Conduct and the Responsible Business Alliance Code of Conduct is checked. In 2024, we conducted ten dedicated ESG audits (previous year: five) and carried out ESG assessments as part of 24 supplier audits (previous year: 31). There were no material findings. Measures for improvements were defined and implemented together with the suppliers or are currently being implemented.

We also draw on the expertise of independent third parties in audits conducted by the Responsible Business Alliance. Three such audits of suppliers important to us were carried out in 2024 (previous year: one audit). There were no significant findings. We also participate in the Responsible Business Alliance's Audit Cooperation Program, in which various customers join forces and initiate audits together. We were able to include six suppliers in the program.

On top, we attach great importance to our suppliers acquiring certificates that provide external confirmation of the suitability of their management systems, including for social and environmental aspects. These also have a relevant influence on the evaluation of our suppliers. We take into account certificates for standards such as ISO 14001, ISO 45001, and ISO 50001, as well as participation or membership in the Responsible Business Alliance and similar industry initiatives, along with certifications in the area of diversity, such as the Women’s Business Enterprise National Council or WEConnect. With important suppliers, we enter into contracts in which we agree on the attainment and maintenance of these certificates and can evaluate the degree of compliance of our supplier portfolio with the standards in our supplier portal at any time.

Whistleblower system for suspected cases
GRI 2-25, GRI 2-26

We have installed a publicly accessible digital whistleblower system that enables people to report violations that have occurred as a result of the business activities of Siltronic or a direct supplier. Siltronic's Human Rights Officer is also available to our suppliers' employees as a point of contact for reporting actual or expected violations of human rights. Initial contact can also be made via our local compliance officers.

In 2024, no violations in this regard were reported to our Group by employees of our contractual partners. Through the Code of Conduct of the Responsible Business Alliance, we also oblige our suppliers to set up a confidential channel for their employees to report grievances and check this as part of audits.

Dealing with deviations

When deviations or shortcomings regarding the requirements of our Code of Conduct or the Responsible Business Alliance's Code of Conduct are identified through our review system or reported via the whistleblower system, we follow up with the suppliers and verify the implementation of appropriate corrective and remedial actions.

Targets and responsibilities

The high importance we attach to this topic is reflected in the performance indicator "Proportion of key suppliers with human rights audits". From 2025, this key figure will be one of the five most important performance indicators in the area of ESG and will be monitored at Executive Board level together with the target value on a quarterly basis. Our aim is to increase the proportion of key suppliers with human rights audits in the coming years. By 2030, the proportion should reach 90 percent.

Key suppliers cover more than 50 percent of our purchasing volume. Interim targets have been set for the years 2025 to 2029; the target for the coming year is 80 percent.

The Executive Board member responsible for Procurement is responsible at the highest level in the Group for implementing measures to ensure compliance with human rights and labor standards in the supply chain.

Involvement of stakeholders

The views of workers in the supply chain and their representatives were indirectly incorporated into the target definition and are also relevant to the associated activities in this area. They are largely based on the approaches and tools of the Responsible Business Alliance, in the development and updating of which the perspectives of workers are an important aspect (for example, in the development of the Responsible Business Alliance Code of Conduct or in the defined procedures for audits in which workers are interviewed). Siltronic is also a member of the Responsible Labor Initiative of the Responsible Business Alliance, in whose work the perspectives of workers are integrated.

When monitoring the achievement of targets, workers in the supply chain are involved by conducting interviews with workers during ESG audits.

In our opinion, disregarding the views of workers in the value chain is not a significant risk area in our value chain. This assessment aligns with the knowledge we have gained in recent years through the Responsible Business Alliance, audits and complaints channels. We have therefore not set up a procedure beyond the whistleblower system through which workers in the value chain or their representatives can engage with us about our corporate strategy or current issues.

Further information on ESG in the supply chain

The investments and costs recognized in profit or loss in connection with the issue of human rights in the supply chain do not have a significant impact on Siltronic's financial position and results of operations.

We are also committed to promoting equality and diversity in our supply chain. Our goal of increasing procurement from and with diversely led companies is communicated on our website. There, diversely led companies have a direct contact and proposal channel to offer their products or services.

Exclusion of conflict minerals

"3TG+CM" materials (tantalum, tin, tungsten, gold, including their mineral form as well as cobalt and mica) mined in the Democratic Republic of Congo or in neighboring countries can be a source of funding for armed groups that commit human rights violations in these regions. These substances are referred to as conflict minerals.

Even if Siltronic does not source these minerals directly, we are aware that conflict minerals can occur in the supply chain. In our policy statement on conflict minerals, we therefore commit to sourcing conflict-free minerals. To implement our commitment, we have established an internal procedure for the responsible sourcing of conflict-free 3TG+CM. The procedure is described in our internal Conflict Minerals Procedure.

Based on the Responsible Business Alliance Code of Conduct, OECD, EU regulations and U.S. Securities and Exchange Commission rules on conflict minerals, our Conflict Minerals Procedure sets out the requirements for supply chain due diligence to identify the origin of 3TG+CM. Every supplier that we invite to register in our supplier system must provide mandatory information on the use or sourcing of conflict minerals. In addition, questions on conflict materials are included in our criteria catalog for supplier audits. We carry out supplier audits ourselves or via third parties, for example as part of the Validated Assessment Program (VAP) audits of the Responsible Business Alliance. We inform our suppliers about the risks relating to conflict minerals both during audits and via our Code of Conduct.

Siltronic does not procure conflict minerals from the Democratic Republic of Congo or neighboring countries, and we have established and documented a process designed to exclude the indirect sourcing of 3TG+CM. Every supplier must provide mandatory information on the use or procurement of conflict minerals. When accepting a supplier, we also require confirmation or certification that excludes potential conflict minerals from the Democratic Republic of the Congo or neighboring countries. This due diligence goes back to the review of the smelters (see also the policy statement on conflict minerals at *www.siltronic.com/en/sustainability/commitments*). We are also actively involved as a member of the Responsible Minerals Initiative in the responsible handling of conflict minerals.

Sustainability in relation to customers
GRI 2-6, GRI 2-23, GRI 2-24

In addition to memory chips and processors, the majority of our customers are involved in the field of electricity control. These customers are either directly involved in the development and commercialization of sustainable products (electric cars, wind turbines) or aim to actively save energy in industrial production, for example. This pertains to the level of end applications.

At the same time, technical progress and innovation are very important in Siltronic's interactions with many customers, as these progress faster in the semiconductor industry than in many other industries. The technical progress made by semiconductor manufacturers is reflected, among other things, in the fact that conductor paths are being shortened. Shorter conductor paths require further development of wafers, as wafers are transformed into chips. Further details can be found in the chapter Characteristics of our product.

In addition to our Code of Conduct, our voluntary commitments (United Nations Global Compact Initiative, Diversity Charter and Equality Charter, Code of Conduct of the Responsible Business Alliance, RE100), the Legal & Compliance Policy, the Rules of Procedure for Compliance Notifications, the Conflict Minerals Procedure and the Know Your Business Partner process, customer audits and the cooperation in CDP assessments play an important role with regard to customers and social aspects. The Head of Corporate Responsibility, who is also Siltronic's Human Rights Officer, participates in the customer assessments.

Our major customers evaluate ESG aspects as part of customer audits. Following annual supplier evaluations by our customers, we received several awards in 2024 for outstanding performance in the area of sustainability.

Our customers are increasingly focusing on improving the sustainability performance of their suppliers. We are working with eight major customers as part of the CDP assessments for climate change and water security. We are participating in multi-year sustainability programs with two customers.

Based on the requirements of the Responsible Business Alliance, we share and, where appropriate, discuss the results of the self-assessments and external audits carried out with our customers. If weaknesses are identified during audits, measures are taken to correct them.

Irrespective of audits, the sales department generally exchanges information with each customer several times. The discussions are not limited to specific topics. Important topics relating to environmental information, social information and corporate governance can be addressed. For customers with a development partnership, there is an exchange in the area of R&D.

The results of customer assessments, CDP assessments and Responsible Business Alliance audits are discussed by the Executive Board.

Cyber security, data security and data protection

Cyber and data security as well as data protection relate to the reliability and security of our information systems and data. This is very important to us, as increasing digitalization brings risks as well as opportunities.

Cyber attacks

Cyber attacks pose a significant risk. The number of cyberattacks on individuals, companies and other organizations is increasing worldwide. A cyberattack usually affects IT systems and data supporting business and production processes as well as communication systems.

There is also the risk of cyber industrial espionage. This involves the potential loss of intellectual property or the unintentional loss of knowledge gained in research and development. A successful attack can impair long-term competitiveness.

We take organizational and technical protective measures to minimize the risks of serious disruptions to IT systems in terms of confidentiality, availability and reliability. The most important measures include

- Classification, labeling and encryption of information
- Use of up-to-date security software, infrastructure and processes
- Regular internal assessment of cyber security risks, including vulnerability management and security penetration tests
- Regular mandatory training that covers cyber security risks and sensitization via awareness campaigns, especially on phishing
- Central IT security monitoring and incident management through the interaction of the Siltronic cybersecurity organization with the external Security Operations Center
- Centralized system for user rights and access management to the most important applications
- External audits on the topics of IT security (including cyber security) and emergency management

These measures are key components of the implemented information security management system, which includes policies, procedures and technical measures to manage and mitigate risks to our information security. These include procedures for dealing with cyber security incidents and data security problems as well as a plan and procedure for disaster recovery. The system is certified according to ISO/IEC 27001.

Siltronic's Chief Information Security Officer reports directly to the Chairman of the Executive Board on a monthly basis. In the reporting year, the Executive Board informed the Supervisory Board's Audit Committee about cyber risks and how to defend against them.

Data protection
GRI 2-26

Due to our business model, natural persons do not play a role as customers. Our data protection therefore focuses on the processing of personal data of employees and business partners. The most important data protection measures are

- Appointment of a data protection officer and the definition of responsibilities for the Group
- Creation of a data protection policy that applies to the Group
- When selecting suppliers or service providers, care is taken to ensure that data protection laws are complied with
- Training employees in the handling of personal data
- Inclusion of contractual clauses according to which Siltronic, customers and suppliers or service providers undertake to comply with relevant data protection laws
- Conducting external and internal audits on data protection
- Regular training on data protection

As part of Siltronic's risk management, those responsible for data security and data protection report relevant risks to the local data protection officers. In addition, the global compliance officer can be informed via the external ombudsman or the digital whistleblower system. The latter reports to the Executive Board and the Audit Committee of the Supervisory Board.

Further information

Charitable purposes and corporate volunteering

In the 2024 reporting year, Siltronic supported activities in Germany, the USA and Singapore with donations and sponsorships totaling EUR 0.5 million (previous year: EUR 0.5 million). The focus was on aid campaigns and donations for schoolchildren and families in need.

Employees at the German sites take part in a cent donation program run by a Wacker Chemie AG relief fund. Employees agree to round down their monthly salary payment to the next lower euro amount. The remaining cents are donated.

Employees at various locations are involved in different initiatives to support projects with a social background.

Dialogue at regional level
GRI 2-25, GRI 413-1

Our four production sites are located in industrial areas that have been developed for decades. We have been producing at these locations for many years and maintain a trusting relationship with the neighborhood and possible other communities. At our sites, we maintain a regular dialogue with the authorities on the subject of environmental protection. No significant issues arose in the reporting year or in previous years. There is no dialogue on social issues and corporate governance at regional level due to a lack of topics. All of Siltronic's sites are located in very modern regions. Should any issues arise, complaints are addressed to the site manager.

In 2024, our company in the USA received the "Gold award for No pretreatment violations" from the authorities of the city of Portland/Oregon for the year 2023.

The Freiberg location is committed to "cosmopolitanism" and has been a member of the association "Wirtschaft für ein weltoffenes Sachsen" since 2019. The network aims to support and specifically promote immigration and thus contribute to greater economic performance in Saxony.

In Singapore, Siltronic received the South West Caring Partner Award in 2024 and the People's Association Community Spirit Award. Both awards recognize commitment to the community and its residents. Siltronic Singapore also received the PACS Merit Award for its contribution to the local community, as in the previous year. Siltronic Singapore supports over a dozen financially disadvantaged students in two neighboring primary schools.

We do not see any regional communities at our suppliers and customers that are significantly impacted by our business activities.

Memberships in associations
GRI 2-28

CDP: As in previous years, we participated in CDP's assessment programs on climate change and water security. The CDP rating scale ranges from A for the best rating to D for the lowest.

Program	2023	2024
CDP climate change	B	B
CDP water security	B	A

UN Global Compact: Siltronic AG has participated in the UN Global Compact since 2017 and published an updated progress report in 2024. We have also participated in local events organized by the UN Global Compact Network Germany.

Responsible Business Alliance: Siltronic AG has been a member of the "Responsible Business Alliance" initiative since 2019 and has participated in network meetings on relevant topics of the initiative.

RE100: RE100 is a global corporate initiative that promotes the exclusive use of renewable energies. Major customers of Siltronic have joined RE100.

Diversity Charter and Equality Charter: Following the Diversity Charter (2018), Siltronic AG has also signed the IG BCE Equality Charter (2019). By signing these charters, Siltronic is committed to actively implementing and promoting equal opportunities.

Initiative “Klischeefrei”: Siltronic AG has signed a written agreement with the Initiative Klischeefrei. We are thus committed to promoting a cliché-free recruitment process and actively supporting a career choice based on individual strengths and interests.

Strategy on taxes, tax compliance and tax payments

GRI 2-26, GRI 207-1, GRI 207-2, GRI 207-3, GRI 207-4

Siltronic has a tax strategy that is set out in writing as part of the tax policy. The policy is aimed at the managers and employees of all divisions and units that perform tax-related tasks. The purpose of the tax policy is to define responsibility for tax issues within the Siltronic Group and to communicate the corporate culture with regard to taxes. This is to ensure that the Group fulfills its tax obligations. In terms of content, this corresponds to Siltronic's Code of Conduct, which also addresses Siltronic's tax integrity.

Siltronic's tax strategy is based on the corporate strategy. Corporate decisions are made on the basis of economic factors. Siltronic does not engage in any practices which, according to prevailing opinion, are aggressively aimed at reducing or avoiding taxes. We pursue an open and proactive communication style with tax authorities. When dealing with tax-related issues, Siltronic also draws on the opinions of external experts.

The tax strategy is publicly available on the Siltronic website.

The responsibility for implementing and monitoring compliance with tax regulations lies with the tax department of Siltronic AG, to which those responsible for taxes within the Group report. The tax department of Siltronic AG reports to the Chief Financial Officer.

Siltronic AG has set up a tax compliance management system (Tax CMS) that implements the relevant tax regulations. Components of this Tax CMS include an analysis of tax risks, the implementation of processes, control measures and reporting channels. As part of the Tax CMS, Group units report violations of tax obligations to the tax department of Siltronic AG. In addition, as part of the general compliance system, there is the option of contacting the Compliance Officer or the external ombudsman with regards to violations of tax obligations.

The following table summarizes the Group entities by tax jurisdiction. Germany accounts for the part of Siltronic AG located in Germany, Singapore for Siltronic Singapore Pte. Ltd, Siltronic Silicon Wafer Pte. Ltd. and a business establishment of Siltronic AG located in Singapore, the USA for Siltronic Corp, Taiwan for a business establishment of Siltronic AG located there, Japan for Siltronic Japan Corp, Korea for Siltronic Korea Ltd. and mainland China for Siltronic Shanghai Corporation. In addition, there are small sales units in the form of two Siltronic AG sites in Italy and France with one employee each. Units that are not material in terms of amount are not shown separately in the table.

In Singapore, the income tax expense can be lower than the value resulting from the application of the local tax rate. The reason for this is that one unit is still exempt from tax due to the high level of investment in buildings and machinery. The tax exemption is limited in time. In the reporting year, there were one-time effects from the recognition of deferred taxes.

Tax payments can be influenced by loss carryforwards or by estimates. In many countries, tax payments are based on estimates made for the year before the end of the year.

Numerical discrepancies between individual items and totals in the following table are due to rounding.

Tax jurisdiction Financial year 2024	Employees (a)	Tangible assets without liquidity (b) EUR million	Sales with third parties EUR million	Sales with group entities EUR million	Result before income taxes (c) EUR million	Expense for (–) / income from (+) income tax (d) EUR million	Cash out for (+) / Cash in from (–) income taxes EUR million
Production							
Germany	2,559	1,255	442	566	-31	5	2
Singapore	1,392	2,976	534	369	108	23	16
US	350	81	130	112	17	3	3
Subtotal	**4,301**	**4,312**	**1,106**	**1,047**	**94**	**31**	**21**
Sales							
Taiwan	14	37	227	0	3	1	1
Japan	16	9	52	0	2	1	0
Other (e)	26	19	28	4	2	1	1
Subtotal	**56**	**65**	**307**	**4**	**7**	**3**	**2**
Consolidation				**-1,051**	**-1**	**-1**	
Group	**4,357**	**4,377**	**1,413**	**0**	**100**	**33**	**23**

(a) Balance at the end of the year, calculated as in the "Information on social aspects" section
(b) Balance sheet total (in accordance with IFRS) of the entities less intangible assets, deferred taxes and 'liquidity'. Liquidity comprises cash and cash equivalents, short-term securities and short-term time deposits.
(c) To increase transparency and avoid multiple counting of profits, dividends within Siltronic Group are not included.
(d) Value as reported in the income statement (in accordance with IFRS) of the entities. This takes into account deferrals and deferred taxes. Deferred taxes reflect tax benefits or disadvantages on the basis of accounting rules. Benefits are considered if they are expected to be realized within five years.
(e) Includes small sales offices in Korea, mainland China, France and Italy. These entities have tax expenses; any figure of 0 shown in the table is the result of rounding to the nearest million euros.

Responsible corporate governance

Strategy for corporate policy and culture at Siltronic

SDGs 16 and 17; UN Global Compact Principles 1 to 5 and 10; Responsible Business Alliance Code of Conduct Topic D

Our concept for corporate ethics
GRI 2-13, GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-27

Companies need the trust of society in order to be economically successful. To align the impacts of our business activities with societal expectations and needs, and to ensure compliance with all legal requirements, we have developed a concept for corporate ethics. This concept is based on self-developed guidelines as well as guidelines that function through voluntary commitments. These reflect our corporate ethics strategy.

Guideline ‘Code of Conduct’

We have drawn up a Code of Conduct for our Group that provides a binding framework for responsible and law-abiding behavior. All decisions to be made must be based on the principles of responsible corporate governance and sustainability. The establishment of fair trading practices is a central component of this. Compliance with the Code of Conduct is therefore mandatory for every employee. The Code of Conduct sets out the minimum standards for responsible conduct within Siltronic across countries, companies and legal systems and covers in particular the topics of behavior towards one another, leading by example, dealing with business partners (especially customers and suppliers), handling information, separating private and corporate interests, quality, safety, health and the environment, social responsibility and compliance reporting.

The Code of Conduct applies internally to the workforce and to our employees in their dealings with all business partners. It is available on the intranet and on our website. An information campaign for employees was carried out when it was introduced. All employees must complete a compliance training course every two years, which covers the content of the Code of Conduct, among other things.

To ensure compliance with the Code of Conduct and avoid violations, we also expressly encourage all employees to report any suspicion of misconduct immediately.

The Group-wide analysis of our compliance risks has not revealed any indications that our company is exposed to any particular ethical risks above the average level.

The principles of the Code of Conduct are further specified by the guidelines set out below in order to provide all employees with comprehensive and binding guidelines for legally and ethically correct conduct.

Guideline ‘Legal & Compliance Policy’

The internal Legal & Compliance Policy, which applies globally to all entities of the Siltronic Group, forms the core of the compliance management system together with the Code of Conduct. The detailed regulations of this policy specify the requirements of the Code of Conduct. They create transparency about the relevant requirements and thus provide employees with a framework for ethical behavior in Siltronic's business environment. Among other things, it addresses combating corruption and bribery, avoiding and dealing with conflicts of interest and preventing money laundering. In addition, the policy encourages employees to report compliance incidents and implements procedures and measures for handling information. These include requirements for archiving and storing data and documents, including the duration of storage.

Siltronic has appointed compliance officers in all active entities. They coordinate compliance activities within the Group, provide advice on compliance and are the point of contact for questions and training. Our compliance management system is regularly reviewed and further developed for this purpose. The Siltronic compliance organization is responsible for this.

Guideline ‘Policy statement on human rights’

This declaration of principles illustrates our commitment to respecting human rights, which is already set out in principle in our Code of Conduct. It also serves to ensure compliance with human rights and environmental due diligence obligations in accordance with Section 6 (2) of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz - LkSG).

Guideline ‘Policy statement on the environmental’

In the reporting year, the Executive Board further elaborated on our commitment to environmental protection, which is set out in the Code of Conduct, in a policy statement on environmental protection. The policy statement emphasizes the relevance of environmental protection for Siltronic and explains our voluntary commitments for the environmental topics relevant to Siltronic. The company-wide declaration also defines responsibilities for environmental topics and shows how we ensure that our activities comply with our voluntary commitments, legal requirements and the expectations of our stakeholders.

Guideline ‘Policy statement on conflict minerals’

The Executive Board has made a commitment to the procurement of conflict-free minerals in a policy statement that is publicly available on the Siltronic website. In particular, it includes our commitment to exclude conflict minerals from our products and supply chain as far as possible and to carry out an ongoing due diligence review of our supply chain.

The policy statement also refers to our Conflict Minerals Procedure, which applies to all Siltronic Group sites. This internal procedural instruction is intended to exclude the procurement of so-called conflict minerals. Please refer to the information under Exclusion of conflict minerals.

The analysis of our data did not reveal any indications that we source or have sourced conflict minerals.

Voluntary commitments

Siltronic implements the ten principles of the United Nations Global Compact initiative for the protection of human rights, social and environmental standards and the fight against corruption and publishes an annual Communication on Progress.

We are a signatory to the Diversity Charter and the Equality Charter of IG BCE and are thus committed to actively implementing and promoting equal opportunities and diversity at Siltronic.

Siltronic is a member of the Responsible Business Alliance and, as a supplier to the electronics industry, is guided by the Code of Conduct of this industry initiative, through which leading companies in the electronics industry worldwide demand and promote a sense of social and ecological responsibility as well as ethical business practices.

To underpin our commitment to reducing CO_2 emissions, Siltronic joined the RE100 initiative in 2023. RE100 is a global corporate initiative that promotes the exclusive use of renewable energy.

Human rights

Siltronic has been a participant in the UN Global Compact since 2017. We have made an explicit commitment to comply with the ten principles of the UN Global Compact, six of which relate to social issues: Principle 1 concerns the support of human rights, Principle 2 the exclusion of human rights abuses, Principle 3 the respect for freedom of association, Principle 4 the elimination of all forms of forced labor, Principle 5 the abolition of child labor and Principle 6 the prevention of discrimination.

The first two principles of the UN Global Compact deal with the support of human rights and the exclusion of human rights violations. In this regard, the following measures in particular have been implemented at Siltronic:

- As part of our purchasing conditions, we expect our suppliers to comply with the principles of our Code of Conduct, which also includes human rights requirements.
- We train our employees in relevant sessions on how to comply with internationally recognized human rights.
- If we become aware of potentially critical aspects in the area of human rights, we analyze them. If an issue proves to be critical even after analysis, we take action.
- In our Code of Conduct and towards our customers, we are committed to supporting human rights and excluding human rights violations.

As a member of the Responsible Business Alliance, we have also expressly committed to upholding the human rights of workers and treating them with dignity and respect in line with the international community's understanding. This applies to all employees, temporary workers, student workers and other types of workers, including those in the upstream supply chain.

On January 1, 2023, the German Supply Chain Due Diligence Act came into force, and we have been fully subject to its obligations since 2024. This law regulates corporate responsibility for compliance with human rights in global supply chains. It also increases the requirements for compliance and risk management. Our four production sites are located in highly developed industrialized countries, where there is a low risk of human rights violations compared to less developed countries. As we actively counter human rights violations at our own sites and in the upstream and downstream value chain, we have taken measures to identify potential violations. Explanations of the audits carried out in this context can be found in the chapter " Value chain".

The Executive Board has appointed a Human Rights Officer who defines measures to ensure compliance with human rights and environmental due diligence obligations. The Human Rights Officer determines the human rights and environmental risks of Siltronic and its direct suppliers. The result of the risk analysis supports the development of our human rights strategy.

In addition, our policy statement on human rights published on our website illustrates our commitment to respecting human rights. It serves to ensure compliance with human rights and environmental due diligence obligations in accordance with Section 6 (2) of the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz or LkSG).

Internal and external persons can use our digital whistleblower system to report human rights or environmental risks that have arisen as a result of our actions or in the value chain.

We did not become aware of any human rights violations via this channel in the reporting year.

Combating legal violations, in particular money laundering, corruption and bribery

GRI 2-24, GRI 2-27, GRI 205-1, GRI 205-2

We firmly oppose any form of violation of the law. Regardless of country-specific probabilities of occurrence, our compliance management system is designed to prevent, identify and sanction compliance violations in every market in which we operate. Compliance violations include, in particular, violations of money laundering, corruption, bribery, fraud, competition rules and other forms of white-collar crime.

Internally, our Legal & Compliance Policy provides detailed rules for interactions with business partners. It sets out requirements for combating corruption and avoiding conflicts of interest. The policy lists various constellations in which conflicts of interest exist and prohibits all employees from exerting influence in these situations. Furthermore, specific value limits for gifts, including invitations to business meals or other events and approval requirements from superiors, are provided in order to give all employees concrete guidelines for correct conduct. Gifts of money to business partners are generally prohibited. Cash transactions are only permitted to a limited extent, whereby so-called smurfing and structuring are also specifically prohibited. Exceptional cases in which cash transactions are permitted are defined and set out in separate rules of procedure (e.g. red envelopes). The guideline also makes it clear that every manager must organize their area of responsibility in such a way that money laundering, corruption, bribery and conflicts of interest are prevented. The internal control system defines the submission and recording of documents and approval processes. Our business partners are obliged by our Code of Conduct to follow the guidelines set out there regarding gifts, invitations, donations and sponsorship.

To combat money laundering, corruption and bribery, we have also introduced our own process to analyze every business partner, the "Know Your Business Partner" (KYBP) process. In our understanding, bribery includes any form of acceptance of an advantage. It is irrelevant whether money or non-cash benefits are given or received.

The risk assessment of business partners includes the latest Corruption Perception Index from Transparency International, an analysis of presence in a high-risk country and a review of indications of money laundering, corruption or other criminal activities. This is done across departments.

An assessment of all business partners has shown that Siltronic does business almost exclusively in countries that have a below-average risk of corruption according to Transparency International's Corruption Perception Index. Siltronic has no activities in a high-risk country. If the process reveals an increased risk of illegal activities by a business partner, reporting obligations and more comprehensive checks involving other specialist departments up to and including approval requirements by senior management are envisaged. The process also contains regulations on documentation and KYBP checks as well as corresponding retention periods.

All employees and Executive Board members must undergo training at combating legal violations and ethically correct behavior. This is based on computer-based compliance training, which must be repeated every two years. In addition to the basics of how to behave towards one another, it also covers topics such as confidentiality and the prevention of corruption and bribery and provides guidance on how to prevent compliance violations using impressive definitions and examples of behavior. Building on this and depending on the activities carried out by employees and Executive Board members, further training is planned. For example, all employees in sales and marketing must undergo regular training on antitrust law, and employees in management positions receive in-depth information on insider trading bans and the associated rules of conduct. The greater the inherent risk of a breach of the law, the more extensive and frequent the training courses. This covers all high-risk activities and functions (particularly those functions with an inherently higher risk, such as purchasing and sales). Members of the Supervisory Board who are employees of Siltronic and members of the Executive Board are covered by the training at Siltronic.

Another organizational measure to counter money laundering, corruption and bribery is the dual control principle, which applies when contracts are concluded.

Combating corruption and preventing money laundering are a material part of the compliance management system, and is the organizational responsibility of the CEO.

Grievance procedures
GRI 2-26, GRI 2-27, GRI 406-1

Various channels are available to the entire workforce to address complaints to Siltronic. In addition to direct line managers, these include the local HR departments, local compliance officers, an external ombudsman, the publicly accessible digital whistleblower system ("Integrity Line") and, at sites with a works council, the elected employee representatives. As the Integrity Line is accessible to people outside the workforce, anyone directly or indirectly affected by Siltronic can contact us.

The Integrity Line can be accessed from any end device (e.g. laptop, cell phone) via a link on the intranet page as well as on the external Siltronic website and fulfills all legal requirements for the protection of whistleblowers. The digital whistleblower system is technically managed by an independent operator. The data is stored on external, certified high-security servers in Germany. The content of the information is processed exclusively by Siltronic. All data is encrypted, password-protected and stored in a secure location so that access to the content of the electronically stored data is restricted to a narrow circle of authorized persons at Siltronic. The operator cannot view the content of the data stored electronically in the database. As long as a whistleblower does not provide any personal information, the whistleblower system protects anonymity by not storing any IP addresses, location data, device specifications or other data that would allow conclusions to be drawn about identity.

The available reporting channels are regularly referred to in internal reports, in the Code of Conduct and in the regular compliance training.

Following a compliance report or a report in the complaints procedure, receipt is documented internally and confirmed to the person making the report within seven days. The report is processed in accordance with internal procedural instructions, which ensure that it is handled appropriately and in compliance with the law. If we come to the conclusion that the report or notification does not need to be investigated further, we will inform the whistleblower within three months accordingly. In all other cases, a comprehensive clarification of the facts will be initiated. The whistleblower will also be informed of this within three months. Where possible and necessary, the whistleblower will be involved in the clarification of the facts and the development of a solution.

Siltronic prohibits retaliation or reprisals of any kind against whistleblowers or supporting third parties if the report was made in good faith.

There were no cases of discrimination in the reporting year (previous year: one case of harassment reported via a local compliance officer). We are not aware of any serious violations in connection with human rights in the reporting year. There were no fines, sanctions or compensation payments due to discrimination, including harassment, or in connection with human rights violations. No complaints were submitted to the OECD either.

As part of regular audits conducted by external parties, employees are asked about their knowledge of the compliance system and therefore also the reporting channels.

Compliance reports and procedures in the event of violations
GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-3, GRI 206-1

All employees are required to report legal violations or suspicious circumstances to the local compliance officer or the legal department, their line manager, the works council or the person responsible in the HR department. This principle is set out in the Legal & Compliance Policy and the Code of Conduct and can also be found in the other individual procedural instructions.

Our employees and third parties can anonymously report violations of legal regulations, human rights or Group-wide compliance rules via a digital whistleblower system (Integrity Line). We have also appointed an external ombudsman to whom employees and third parties can anonymously report violations of legal regulations. The links to our whistleblowing reporting system and to the ombudsman are publicly accessible on the intranet and on our website.

Rules of procedures govern the handling of compliance reports. In the event of a substantiated suspicion of a compliance violation, it orders investigative measures to be taken regardless of the management chain involved. It also requires the implementation of remedial and preventive measures and contains a prohibition of retaliation for compliance violations reported in good faith. The rules of procedure are publicly available on our website and on the intranet.

The Chief Compliance Officer informs the Executive Board of Siltronic AG about compliance incidents on a monthly basis and as required. The Chief Compliance Officer also reports to the Supervisory Board as part of the Audit Committee meetings.

In 2024, we did not receive any compliance reports relating to money laundering, corruption or bribery, nor were there any court proceedings, fines or similar.

In 2024, 20 compliance reports were received, mainly relating to the working environment and the protection of information (two reports came from anonymous whistleblowers). In addition to the detailed investigation of the cases, the measures taken included process optimization in order to avoid similar cases in the future. Consequences were also drawn under employment law and in some cases under criminal law.

Relations with politics
GRI 2-28, GRI 415-1

We are committed to responsible conduct towards political parties and non-governmental organizations. Our dealings with politicians are based on factual positions, and we are open to dialogue with all democratic parties.

In the 2024 financial year, Siltronic committed itself to strengthening the European semiconductor industry in order to create favorable framework conditions for this sector. We see this as an opportunity to strengthen our competitiveness and innovative power and to increase the resilience of the supply chain. Due to the low level of lobbying activity, we were unable to identify any material risks. This did not result in any direct material effects or obligations for Siltronic in the reporting year. The Executive Board was always informed promptly and regularly.

Siltronic is registered in the Transparency Register of the Federal Republic of Germany under the number DE821935813819.

We do not hold a special position in any association or organization of which we are a member. In the year under review, Siltronic did not participate in any legislative processes or make any donations in cash or in kind to political parties. Donations to political parties are subject to the approval of the Executive Board of Siltronic AG.

No members were appointed to the Executive Board or Supervisory Board who had held a comparable position in public administration, including regulatory authorities, in the previous two years.

Payment practices regarding suppliers

Our Code of Conduct prevents unequal treatment of business partners. It does not permit discrimination against suppliers and service providers on the basis of their size or the type of delivery or service provided.

We pay our suppliers in accordance with the usual regional payment terms. In Germany, payment is made on average after 29 days, in Singapore after 45 days and in the USA after around 28 days.

There were no legal proceedings for late payment either in the reporting year or in previous years.

Dual management system with Executive Board and Supervisory Board

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-17, GRI 405-1

The Declaration on corporate governance above explains the management system of Siltronic AG. It describes the tasks of the Executive Board and Supervisory Board, their composition, including diversity, and the cooperation between the two bodies. The declaration on corporate governance also contains the competence profile and the qualification matrix of the members of the Supervisory Board, information on the committees of the Supervisory Board and further details on corporate governance. In the Supervisory Board report for the 2024 financial year, the Supervisory Board has published further details on key areas of activity, training and development measures and its involvement with this non-financial statement and this ESG report.

The trust-based cooperation between the Executive Board and employee representatives on the Supervisory Board, with its institutionalized quarterly meetings, is the highest-ranking level in which significant negative effects on the Company's own workforce would be discussed. No significant negative effects had to be dealt with or discussed in the reporting year.

The following information should be seen in addition to this:

Involvement of the (co-determined) Supervisory Board in ESG issues

GRI 2-12, GRI 2-14, GRI 2-16

The Supervisory Board is involved in non-financial topics in two ways: Firstly, the Executive Board discusses ESG topics with the Supervisory Board at regular meetings. This includes informing the Supervisory Board about the development of non-financial performance indicators. In addition, the Chief Compliance Officer and the Chief Risk Officer report to the Supervisory Board's Audit Committee on significant issues on a quarterly basis. In important cases, the Executive Board addresses the views of stakeholders if they are not already represented by the Supervisory Board.

At its meetings, the Supervisory Board is regularly informed about the development of the most important performance indicators in the ESG area. As Siltronic has a Supervisory Board with equal representation, the Executive Board and Supervisory Board are informed by the employee representatives about the views and interests of the stakeholders concerned with regard to the company's sustainability-related impacts, where necessary.

Siltronic has also established an Economic Committee that represents the interests of stakeholders, particularly from an economic perspective.

The non-financial statement and the ESG report were reviewed by the Supervisory Board of Siltronic AG. For this purpose, the report is sent to each member of the Supervisory Board for review and comment. In addition to its own review, the Supervisory Board commissioned the auditing firm KPMG AG to audit the declaration in order to obtain limited assurance.

Independence of the Supervisory Board

GRI 2-9

The Supervisory Board of Siltronic AG has twelve members. In accordance with the German Co-Determination Act, the Supervisory Board is made up of an equal number of shareholder and employee representatives.

According to the assessment of the shareholder representatives on the Supervisory Board, four of the six shareholder representatives were independent within the meaning of the German Corporate Governance Code as at December 31, 2024. Accordingly, two thirds of the shareholder representatives on the Supervisory Board are independent.

The six employee representatives on the Supervisory Board are elected by the employees of Siltronic AG from among their ranks, with two of the six employee representatives being appointed by trade unions in accordance with the German Co-Determination Act. These two Supervisory Board members are not employees of Siltronic. Four of the six employee representatives on the Supervisory Board are employees of Siltronic, one of whom represents the group of senior executives. 83 percent of the Supervisory Board members on the employee side are independent if a Supervisory Board member on the employee side is defined as independent, provided that he or she does not represent the group of executive employees. The employee representatives represent 100 percent of the employees in Germany.

The aim of the Co-Determination Act is for the shareholders and employees to reach decisions on the Supervisory Board by consensus. The Co-Determination Act also limits the influence of shareholders who have a high proportion of voting rights, but not a majority, through the composition of the Supervisory Board.

Of the twelve members of the Supervisory Board, 58 percent are men and 42 percent are women.

Further information on the members of the Supervisory Board can be found in the Declaration on Corporate Governance.

(Potential) conflicts of interest on the Supervisory Board

GRI 2-15

The Supervisory Board must comply with regulations on conflicts of interest and potential conflicts of interest. These are described in the declaration on corporate governance under the headings "Independence of the chairman of the Supervisory Board", "Independence and potential conflicts of interest", "Conflicts of interest" and "Related party transactions".

As far as potential conflicts of interest are concerned, there is a special relationship between Siltronic AG and Wacker Chemie AG, Munich.

Siltronic AG has its historical roots in Wacker Chemie AG. Wacker Chemie AG founded the legal predecessor of Siltronic AG in 1968 and until the IPO of Siltronic AG in 2015, the Wacker Chemie Group was the sole owner of Siltronic AG. Wacker Chemie AG is itself listed on the stock exchange. In 2017, the Wacker Group reduced its stake in Siltronic AG to around 31 percent. Due to the remaining relationship under company law, companies of the Wacker Chemie Group qualify as related parties for Siltronic. We purchase goods and services from the related party Wacker Chemie AG in certain areas.

To ensure that business relations with Wacker are appropriate, Siltronic has implemented an auditing process. The process is designed to review Wacker's deliveries and services with regard to their terms and conditions in line with market conditions. In addition to the Procurement department, the Controlling, Accounting and Tax department and Siltronic's Chief Compliance Officer are also involved in the process. Only Supervisory Board members for whom there is no concern of a conflict of interest participate in the resolution on the approval of transactions with related parties.

In addition, Siltronic AG commissions external experts on a case-by-case basis to determine whether, in their opinion, the conditions for the purchase of goods and services from Wacker are in line with market practices and in the ordinary course of business of Siltronic AG.

The internal and external audits showed that the prices and conditions are in line with the market.

Remuneration of the Executive Board and Supervisory Board
GRI 2-19, GRI 2-20

The remuneration of the members of the Supervisory Board and the Executive Board is set out in the remuneration report. The remuneration report is published and was audited by the auditing firm KPMG AG.

The Supervisory Board sets ESG targets that are relevant to Executive Board remuneration. As disclosed in the remuneration report, these account for ten percent of the one-year variable remuneration. The ESG targets are based on the sustainability targets defined by the Company as part of its business strategy. The targets and the degree of achievement are explained under "Performance indicators and targets". The measurements for the non-financial performance criteria are based on the internal reporting system on non-financial aspects of the Company, which also forms the basis for the published key indicators in the Company's non-financial report. Further information on remuneration can be found in the remuneration report.

The remuneration of the Supervisory Board is not related to ESG targets.

Organization and processes at Siltronic regarding ESG

Corporate Responsibility department and Human Rights Officer
GRI 2-13, GRI 2-26

The Corporate Responsibility department, which coordinates the implementation of the sustainability strategy across the Group, is organized under the Executive Board. The head of the department reports directly to the Executive Board at regular meetings.

In implementing the sustainability strategy, designated representatives of Siltronic with a focus on climate protection, water security, and human rights, as well as those responsible for production sites, are actively involved. To this end, regular meetings are held in which Corporate Responsibility, the Procurement department, the Human Resources department, the Legal department including Compliance, Quality Management, the Human Rights Officer and a member of the Executive Board take part. In addition, Corporate Responsibility and Investor Relations deal with inquiries from external stakeholders on sustainability issues. This relates in particular to customers, investors, rating agencies and external initiatives. The external initiatives primarily include CDP, RE100, the Responsible Business Alliance and the UN Global Compact.

The Head of Corporate Responsibility has been appointed by the Executive Board as Siltronic's Human Rights Officer. In this function, he reports directly to the Executive Board.

Risk management
GRI 2-16

In order to identify and manage the variety of potential risks associated with business activities, the Executive Board has implemented a risk management system that also covers risks related to ESG. Opportunities are included in the identification and assessment of risks, but they are not the focus of the risk management system.

Part of the risk strategy is to identify risks at an early stage, assess them appropriately and take suitable measures to limit or avoid them. The measures taken and assumptions made are reviewed annually. The individual business units at each location are responsible for this. The Executive Board holds specialist discussions on ESG issues with internal experts and external experts are involved in selected cases for quality control purposes.

There were no ESG-related risk reports to the Chief Risk Officer for 2024. Further information on risk management can be found in the management report under "Risk and opportunity report".

We have installed the compliance management system described above in order to prevent, identify, process and, if necessary, sanction company-related legal violations. The Chief Compliance Officer reports to the Executive Board of Siltronic AG on a monthly and ad hoc basis and to the Audit Committee of the Supervisory Board on a quarterly basis. From the origin and content of the compliance reports, including their handling, the Executive Board and Supervisory Board gain an overview of the functionality of the procedures that have been set up to eliminate negative effects on people in the company's own workforce and the value chain.

Further information on organization and processes
GRI 403-1

The main organizational measures for the management of ESG-relevant aspects are (a) an integrated management system, (b) the central management of corporate responsibility topics with a staff unit and a direct reporting channel to the Executive Board, (c) the global Compliance department to prevent, identify and sanction violations of applicable law and self-imposed guidelines, (d) the coordination of environmental protection, health protection, plant safety and occupational safety by a separate "Environment, Health and Safety" (EHS) department and (e) the structure of regular reporting to the Executive Board and Supervisory Board.

We control operational processes via our Integrated Management System (IMS). The IMS describes processes and responsibilities and defines Group-wide standards, particularly with regard to product quality, energy, environmental protection, plant safety, occupational safety and health protection.

The standards are based on national and international norms, laws, customer requirements and our own principles. We have the IMS certified by a global service provider. The certifications relate to the standards ISO 14001:2015 for environmental protection, ISO 45001:2018 for occupational health and safety, ISO 50001:2018 for energy management at the German sites and IATF 16949:2016 for quality management systems.

To fulfill our responsibility for operating our facilities and protecting people and the environment, employees at our production sites are specially trained in environmental protection, health protection, plant safety, and occupational safety. These are organized in the local Quality Management & Sustainability departments. As the parent company in Germany has Group-wide responsibility for quality and sustainability systems, the department in Germany defines the systems and guidelines that apply throughout the Group. This department reports directly to the CEO.

Changing regulatory and therefore also ethical requirements are monitored by the Compliance department as well as the specialist departments.

GRI content index

GRI 1

Siltronic AG has reported the information presented in this GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.

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EU Taxonomy

Taxonomy-eligible economic activities are, in principle, able to make a significant contribution to six defined environmental objectives in industrial sectors selected by the EU. The environmental objectives are climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of environmental pollution, and protection and restoration of biodiversity and ecosystems. The EU has summarized these activities and considerations in a regulation, in simple terms called "EU Taxonomy Regulation".

In order to combat global warming, the EU has analyzed the economic activities in terms of their greenhouse gas emissions in an extensive project. The analysis focused on activities that cause around 90 percent of greenhouse gas emissions into the environment. The EU then generated a list, which now contains more than 100 activities, by which "taxonomy-eligible" economic activities were defined.

Of the more than 100 activities, 25 activities relate to the energy sector, 17 activities to the transport sector and 20 activities to the utilities sector. Other activities include the real estate sector, forestry/environmental protection, information and the provision of services.

Only 21 activities relate to the production of physical goods. The 21 activities have been narrowly defined by the EU and relate predominantly to the production of highly greenhouse gas-intensive products such as aluminum, iron/steel, fertilizers, organic base materials, selected chemicals and cement.

It is therefore hardly surprising that the production or sale of wafers does not appear in the EU list of taxonomy-eligible activities. The fact that wafers or their further development contribute to increasing energy efficiency at subsequent stages of the value chain is not of significant importance for the EU taxonomy. Against this backdrop, we state the mandatory taxonomy-eligible sales as 0 percent of sales in the reporting year.

In addition to taxonomy-eligible sales, the EU taxonomy requires further disclosures: these are the “CapEx“ and “OpEx“ metrics defined in the EU taxonomy, as well as taxonomy-aligned sales, CapEx and OpEx. While taxonomy-eligible activities only represent the potential to support an environmental objective (which is why, for example, the highly CO_2-intensive production of steel or cement is taxonomy-eligible), taxonomy-aligned activities actually make a significant contribution. Another condition for taxonomy alignment is that there must be no significant negative impact on the other environmental targets. The calculations for conformity are complex and the amount of evidence to be provided is considerable.

The CapEx indicator shows the extent to which expenditure of an investment nature was made in the reporting year that can contribute to the reduction of greenhouse gas emissions in accordance with the definitions of the EU taxonomy (Siltronic's economic activities relate to the EU taxonomy's environmental objective of climate protection). We have calculated a percentage of 5 percent for Siltronic. Please refer to the table below for the assessment basis and calculation.

The OpEx indicator shows the extent to which operating expenses were incurred in the reporting year that can contribute to the reduction of greenhouse gas emissions, the circular economy and the prevention and reduction of environmental pollution according to the definitions of the EU taxonomy. We have calculated a percentage of 15 percent for Siltronic. Please refer to the table below for the assessment basis and calculation.

The key figures are determined on the basis of Delegated Regulations (EU) 2020/852, 2021/2139, 2021/2178, 2023/2485 and 2023/2486 in conjunction with the accounting policies applicable to the consolidated financial statements. In the absence of taxonomy-eligible revenue, expenses of an investment nature and operating expenses are not taxonomy-eligible if they are directly related to the production of wafers. Taxonomy-eligible expenses for CapEx and OpEx arise for Siltronic insofar as a direct allocation of expenses to the economic activities listed in Regulation 2021/2139, 2023/2485 and 2023/2486 is possible. To avoid double counting, expenses were only allocated to one economic activity. The main taxonomy-eligible economic activities are related to water supply and wastewater disposal facilities and the construction of buildings. The indication of CapEx and OpEx that are parts of a plan to expand taxonomy-aligned economic activities or allow the conversion of taxonomy-eligible economic activities into taxonomy-aligned economic activities is not relevant. There is currently no planning to expand taxonomy-aligned activities.

For the activities identified as taxonomy-compliant, taxonomy conformity cannot be demonstrated as the associated technical evaluation criteria cannot be met. Our evaluation is based on the fact that our buildings are special buildings and we produce with special machinery and specialized infrastructures.

The EUR 559 million reported under CapEx comprises additions to intangible assets, property, plant and equipment and the increase in right-of-use assets in accordance with IFRS 16. The EU taxonomy definition for OpEx at Siltronic mainly relates to expenses for research and development, repairs and maintenance of property, plant and equipment and short-term leases.

As Siltronic has no economic activities in the field of nuclear and gas energy, the standard reporting forms according to Delegated Regulation (EU) 2022/1214 are not reported.

Mandatory disclosures under the EU taxonomy (reporting form according to EU taxonomy) – disclosures for the year 2024

				Substantial contribution criteria						DNSH criteria ("Does not significantly harm")									
Economic activties	Code(s)	Absolute turnover	Proportion of turnover	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or -eligible proportion	Category (enabling activity)	Category (transitional activity)
		EUR Mio.	(%)	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0**	**0%**														0%		
thereof enabling																			
thereof transitional																			
A.2. Taxonomy-Eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**0**	**0%**														0%		
Total (A.1. + A.2)		0	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		1,413	100%																
Total (A+B)		**1,413**	**100%**																

				Substantial contribution criteria						DNSH criteria ("Does not significantly harm")									
Economic activties	Code(s)	Absolute CapEx	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx year 2022	Category (enabling activity)	Category (transitional activity)
		(Currency)	(%)	Y; N; N/ EL[1]	Y; N; N/ EL[1]	Y; N; N/ EL[1]	Y; N; N/ EL[1]	Y; N; N/ EL[1]	Y; N; N/ EL[1]	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0%														0%		
thereof eligible																			
thereof transitional																			
A.2. Taxonomy-Eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																			
Renewal of wastewater collection and treatment systems	5.4 (CCM)	3	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition of and ownership of buildings	7.7 (CCM)	30	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
CapEx of taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2.)		33	6%	100%	0%	0%	0%	0%	0%								11%		
Total (A.1. + A.2)		33	6%	100%	0%	0%	0%	0%	0%								11%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		526	94%																
Total (A+B)		**559**	**100%**																

Economic activties	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial Contribution criteria: Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	DNSH criteria ("Does not significantly harm"): Climate Change Mitigation	Climate Change Adaptation	Water marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx year 2023	Category (enabling activity)	Category (transitional activity)
		(Currency)	(%)	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0**	**0%**														0%		
thereof enabling																			
thereof transitional																			
A.2. Taxonomy-Eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																			
Construction, expansion and operation of wastewater collection and treatment systems.	5.3 (CCM)	16	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
Collection and transport of non-hazardous and hazardous waste / Collection and transportation of non-hazardous wastes in fractions separated at the point of contact	5.5 (CCM) / 2.3 (CE)	3	2%	EL	N/EL	N/EL	EL	N/EL	N/EL								2%		
Collection and transport of hazardous waste / Collection and transportation of non-hazardous wastes in fractions separated at the point of contact	2.1 (PPC) / 2.3 (CE)	1	1%	N/EL	N/EL	N/EL	EL	EL	N/EL								1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**20**	**15%**	86%	0%	0%	11%	3%	0%								14%		
Total (A.1. + A.2)		20	15%	86%	0%	0%	11%	3%	0%								14%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		122	85%																
Total (A+B)		**142**	**100%**																

[1] Legend: Y - Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; N - No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; N/EL - 'not eligible', taxonomy-non-eligible activity for the relevant environmental objective

	Proportion of turnover/ total turnover		**Proportion of CapEx/ Total CapEx**		**Proportion of OpEx/ Total OpEx**	
	Taxonomy-aligned per objective [2]	**Taxonomy-eligible per objective [2]**	**Taxonomy-aligned per objective [2]**	**Taxonomy-eligible per objective [2]**	**Taxonomy-aligned per objective [2]**	**Taxonomy-eligible per objective [2]**
Climate Change Mitigation (CCM)	0%	0%	0%	6%	0%	14%
Climate Change Adaption (CCA)	0%	0%	0%	0%	0%	0%
Water (WTR)	0%	0%	0%	0%	0%	0%
Circular Economy (CE)	0%	0%	0%	0%	0%	3%
Pollution prevention and Control (PPC)	0%	0%	0%	0%	0%	1%
Biodiversity and ecosystems (BIO)	0%	0%	0%	0%	0%	0%

[2] The values shown are the summed percentages of the economic activities shown in the reporting forms. If an economic activity contributes to several environmental objectives, the value was taken into account in both environmental objectives. Double counting in the reporting forms was avoided.

Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the combined non-financial statement included in the combined management report

To Siltronic AG, Munich

Assurance Conclusion
We have conducted a limited assurance engagement on the combined non-financial statement of Siltronic AG, Munich (further "Company" or "Siltronic AG"), included in section "Combined Non-Financial Statement and ESG Report" as well as on the sections "Business and economic conditions" (excluding cross-references contained therein and the information to which the cross-references refer to) and "Risk and opportunity report" (except section "Risk management system") in the combined management report qualifying as part of this statement, prepared to fulfil the requirements of Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a consolidated non-financial statement and Sections §§ 289b to 289e for a non-financial statement of the company, including the information contained in this combined non-financial statement to fulfill the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the "consolidated non-financial reporting") for the financial year from January 1 to December 31, 2024.

Not subject to our assurance engagement are references to internet pages and external sources of documentation mentioned in the consolidated non-financial reporting.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying consolidated non-financial reporting for the financial year from January 1 to December 31, 2024 is not prepared, in all material respects, in accordance with Sections 315b and 315c HGB for a consolidated non-financial statement, Sections §§ 289b to 289e of the HGB for a non-financial statement of the company, the requirements of Article 8 of Regulation (EU) 2020/852 and the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the references to internet pages and external sources of documentation mentioned in the consolidated non-financial reporting.

Basis for the Assurance Conclusion
We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the consolidated non-financial reporting".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the consolidated non-financial reporting
The executive directors are responsible for the preparation of the consolidated non-financial reporting in accordance with the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a consolidated non-financial reporting in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the consolidated non-financial reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the consolidated non-financial reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the consolidated non-financial reporting.

Inherent Limitations in Preparing the consolidated non-financial reporting
The applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the consolidated non-financial reporting.

German Public Auditor's Responsibilities for the Assurance Engagement on the consolidated non-financial reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the consolidated non-financial reporting has not been prepared, in all material respects, in accordance with the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the consolidated non-financial reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the consolidated non-financial reporting,
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we (among others):

- evaluated the suitability of the criteria presented by the executive directors in the consolidated non-financial reporting,
- inquired the executive directors and relevant employees involved in the preparation of the consolidated non-financial reporting about the preparation process and the internal controls relating to this process,
- inquired employees at group level who are responsible for the materiality analysis to gain an understanding of the process for determining material topics and corresponding reporting boundaries,
- performed a risk analysis, including a media research, on relevant information about the sustainability performance in the reporting period,
- evaluated the reporting policies used by the executive directors to prepare the consolidated non-financial reporting
- evaluated the reasonableness of the estimates and related information provided by the executive director
- performed analytical procedures and made inquiries in relation to selected information in the consolidated non-financial reporting
- conducted site visits
- considered the presentation of the information in the consolidated non-financial reporting
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated non-financial reporting.

Restriction of Use / Clause on General Engagement Term

This assurance report is solely addressed to Siltronic AG, Munich.

The engagement, in the performance of which we have provided the services described above on behalf of Siltronic AG, Munich, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (*www. kpmg.de/AAB_2024*). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Munich, March 5, 2025

KPMG AG

Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

gez. Koeplin	gez. Vogl
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüferin [German Public Auditor]

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss

from January 1 to December 31, 2024

In EUR million	Note	2024	2023
Sales	01	1,412.8	1,513.8
Cost of sales	01	–1,137.4	–1,141.6
Gross profit		**275.4**	**372.2**
Selling expenses		–32.3	–35.1
Research and development expenses		–83.1	–87.6
General administration expenses		–35.4	–35.4
Other operating income	01	90.9	117.7
Other operating expenses	01	–90.3	–100.5
Operating result		**125.2**	**231.3**
Interest income	02	14.0	23.0
Interest expenses	02	–32.3	–20.0
Other financial income	02	1.9	6.2
Other financial expenses	02	–8.5	–9.7
Financial result		**–24.9**	**–0.5**
Result before income tax		100.3	230.8
Income taxes	03	–33.1	–29.5
Result for the period		**67.2**	**201.3**
of which			
attributable to Siltronic AG shareholders		*63.0*	*184.4*
attributable to non-controlling interests		*4.2*	*16.9*
Result per common share in EUR (basic/diluted)	15	2.10	6.15

Consolidated statement of financial position

as of December 31, 2024

In EUR million	Note	Dec. 31, 2024	Dec. 31, 2023
Intangible assets	04	34.8	22.2
Property, plant and equipment	05	3,676.2	3,318.8
Right-of-use assets	06	144.6	120.3
Securities and fixed-term deposits	09	2.7	2.2
Other financial assets	08	–	0.6
Other non-financial assets	08	13.9	17.2
Deferred tax assets	03	14.0	18.0
Non-current assets		**3,886.2**	**3,499.3**
Inventories	07	308.3	300.8
Trade receivables	08	142.9	162.4
Contract assets	08	12.7	12.2
Securities and fixed-term deposits	09	366.6	70.7
Other financial assets	08	12.9	18.9
Other non-financial assets	08	50.7	52.2
Income tax receivables	08	7.0	2.2
Cash and cash equivalents	09	297.1	386.2
Current assets		**1,198.2**	**1,005.6**
Total assets		**5,084.4**	**4,504.9**

In EUR million	Note	Dec. 31, 2024	Dec. 31, 2023
Subscribed capital		120.0	120.0
Capital reserves		974.6	974.6
Retained earnings and net Group result		795.1	768.1
Other equity items		120.2	41.7
Equity attributable to Siltronic AG shareholders		**2,009.9**	**1,904.4**
Equity attributable to non-controlling interests		205.3	195.3
Equity	**10**	**2,215.2**	**2,099.7**
Pension provisions	11	134.1	146.0
Other provisions	12	66.1	65.7
Income tax liabilities	13	3.0	2.6
Deferred tax liabilities	03	8.7	2.5
Customer prepayments	13	508.6	542.5
Loan liabilities	13	1,303.8	785.1
Lease liabilities	06	137.0	109.5
Other non-/ financial liabilities	13	137.6	113.4
Non-current liabilities		**2,298.9**	**1,767.3**
Other provisions	12	9.6	8.3
Income tax liabilities	13	18.1	21.7
Trade liabilities	13	280.5	452.5
Customer prepayments	13	57.3	46.3
Loan liabilities	13	75.2	3.9
Lease liabilities	06	7.3	6.1
Other financial liabilities	13	67.1	44.6
Other non-financial liabilities	13	55.2	54.5
Current liabilities		**570.3**	**637.9**
Total liabilities		2,869.2	2,405.2
Total equity and liabilities		**5,084.4**	**4,504.9**

Consolidated statement of cash flows

from January 1 to December 31, 2024

In EUR million	Note	**2024**	2023
Result for the period		67.2	201.3
Depreciation/amortization of non-current assets, including impairment losses and reversals thereof	01	238.5	202.5
Other non-cash expenses and income		8.2	–1.5
Result from disposal of non-current assets		1.5	3.0
Interest result	02	18.4	–3.0
Interest paid		–43.6	–26.9
Interest received		22.6	22.0
Tax result	03	33.1	29.5
Taxes paid		–22.7	–45.7
Changes in inventories		–3.0	–27.5
Changes in trade receivables		28.0	51.6
Changes in contract assets		–0.4	1.9
Changes in other assets without prepayments		–0.7	–4.2
Changes in provisions		27,4	11,4
Changes in trade liabilities		–2.7	10.2
Changes in other liabilities without prepayments		–1.3	24.0
Changes in customer prepayments		–26.0	39.3
Cash flow from operating activities		**344.5**	**487.9**
Payments for capital expenditures (including intangible assets)		–699.9	–1,198.8
Proceeds from the disposal of property, plant and equipment and intangible assets		0.4	2.8
Proceeds from Investment Grants		32.0	83.9
Payments for the acquisition of fixed-term deposits and securities		–509.6	–224.7
Proceeds from fixed-term deposits and securities		217.3	707.9
Cash flow from financing activities		**–959.8**	**–628.9**
Dividends	15	–36.0	–90.0
Proceeds from loans		569.0	139.1
Principal portion of lease payments		–7.4	–6.3
Cash flow from financing activities		**525.6**	**42.8**
Changes due to exchange-rate fluctuations		0.6	–4.3
Changes in cash and cash equivalents	**09**	**–89.1**	**–102.5**
at the beginning of the period		386.2	488.7
at the end of the period		**297.1**	**386.2**

Additional financial information (not part of the group financial statements and not audited)

In EUR million	**2024**	2023
Cash flow from operating activities	344.5	487.9
Cash-effective changes in customer prepayments	26.0	–39.3
Cash flow from investing activities	–667.5	–1,112.1
Net cash flow	**–297.0**	**–663.5**

Consolidated statement of comprehensive income

from January 1 to December 31, 2024

In EUR million	2024	2023
Result for the period	**67.2**	**201.3**
Other comprehensive income/ loss:		
Item that is never reclassified to profit or loss:		
Remeasurement of defined benefit plans	**35.5**	**–31.1**
Items that have been reclassified to profit or loss or may be reclassified in the future:		
Difference from foreign currency translation adjustments	62.2	–40.7
Changes in market values of derivative financial instruments (cash flow hedge)	–13.4	–6.9
thereof recognized in profit or loss	*–0.6*	*–14.6*
thereof tax effect	*3.8*	*2.1*
	48.8	**–47.6**
Other comprehensive income/loss	**84.3**	**–78.7**
Total comprehensive income/loss	**151.5**	**122.6**
of which		
attributable to Siltronic AG shareholders	*141.5*	*109.4*
attributable to non-controlling interests	*10.0*	*13.2*

Consolidated statement of changes in equity

as of December 31, 2024

In EUR million	Subscribed capital	Capital reserves	Variance from foreign currency valuation	Impact of net investments in foreign operations	Changes in market values of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Retained earnings/ net Group result	**Total**	Non-controlling interests	**Total equity**
Balance as of January 1, 2023	**120.0**	**974.6**	**100.2**	**–7.1**	**15.1**	**8.5**	**673.7**	**1,885.0**	**182.1**	**2,067.1**
Result for the period	–	–	–	–	–	–	184.4	184.4	16.9	201.3
Other comprehensive income and loss	–	–	–37.0	–	–6.9	–31.1	–	–75.0	–3.7	–78.7
Total comprehensive income and loss	**–**	**–**	**–37.0**	**–**	**–6.9**	**–31.1**	**184.4**	**109.4**	**13.2**	**122.6**
Dividends	–	–	–	–	–	–	–90.0	–90.0	–	–90.0
Balance as of December 31, 2023	**120.0**	**974.6**	**63.2**	**–7.1**	**8.2**	**–22.6**	**768.1**	**1,904.4**	**195.3**	**2,099.7**
Balance as of January 1, 2024	**120.0**	**974.6**	**63.2**	**–7.1**	**8.2**	**–22.6**	**768.1**	**1,904.4**	**195.3**	**2,099.7**
Result for the period	–	–	–	–	–	–	63.0	63.0	4.2	67.2
Other comprehensive income and loss	–	–	56.4	–	–13.4	35.5	–	78.5	5.8	84.3
Total comprehensive income and loss	**–**	**–**	**56.4**	**–**	**–13.4**	**35.5**	**63.0**	**141.5**	**10.0**	**151.5**
Dividends	–	–	–	–	–	–	–36.0	–36.0	–	–36.0
Balance as of December 31, 2024	**120.0**	**974.6**	**119.6**	**–7.1**	**–5.2**	**12.9**	**795.1**	**2,009.9**	**205.3**	**2,215.2**

Notes to the consolidated financial statements of Siltronic AG and subsidiaries

General notes to the consolidated financial statements

Nature of operations

Siltronic AG (the 'Company'), together with its subsidiaries (the 'Group') is a manufacturer of semiconductor silicon wafers made from hyperpure silicon whose customers comprise the leading semiconductor companies worldwide. Silicon constitutes the base substrate for most semiconductor devices, and silicon wafers are essential components in all areas of electronic applications, for example in computers, smartphones, industrial equipment, wind turbines or cars with and without electric drives. The Group operates wafer facilities one each in Burghausen and in Freiberg, Germany, three wafer facilities in Singapore, and one wafer facility in Portland, Oregon, USA.

The Company's shares are listed in the Prime Standard of the Frankfurt Stock Exchange and are included in the MDAX and TecDAX.

Siltronic AG is registered in the commercial register of Munich under number HRB 150884. The head office of the Company is located at Einsteinstraße 172, Munich, Germany.

Basis of presentation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the additional requirements of Section 315e (1) of the German Commercial Code (HGB). The associated interpretations of the IFRS Interpretations Committee (IFRIC) were also applied. The Group has applied all standards and interpretations that were effective as of December 31, 2024 and endorsed by the EU.

The financial year corresponds to the calendar year. Assets and liabilities are reported in the statement of financial position in line with their maturities. The Group classifies assets and liabilities as current if it expects to realize or settle them within 12 months of the balance sheet date. The statement of profit or loss is prepared using the cost of sales method.

The consolidated financial information is presented in euros, which is the Company's functional currency and the Group's reporting currency. All amounts are shown in millions of euros (EUR million) unless otherwise stated.

The Executive Board of Siltronic AG approved the consolidated financial statements on March 5, 2025.

The declaration of conformity with to the German Corporate Governance Code, as prescribed in Section 161 of the German Stock Corporation Act has been issued and was made available to the public at *https://www.siltronic.com/en/investors/corporate-governance.html.*

Financial reporting principles applied for the first time in 2024

The application of the following new standards, interpretations, and changes to existing standards is mandatory for the period starting on January 1, 2024. The Group continuously evaluates new standards, interpretations, and changes to existing standards to determine their impact on the consolidated financial statements.

Standard/amendment/interpretation		Effective date	Impact on Siltronic
IAS 1	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	January 1, 2024	none
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	none
IFRS 7, IAS 7	Supplier Finance Arrangements	January 1, 2024	none

Financial reporting standards and interpretations not yet applied

The application of the following new standards, interpretations, and changes to existing standards is not yet mandatory for the period under review. The Group does not apply any of these earlier than required. Currently the Group expects the following impact:

Standard/amendment/interpretation – endorsed by EU		Effective date	Expected impact on Siltronic
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	January 1, 2025	immaterial

Standard/amendment/interpretation – not yet endorsed by EU		Effective date	Expected impact on Siltronic
IFRS 9, IFRS 7	Contracts Referencing Nature-dependent Electricity Amendments	January 1, 2026	immaterial
IFRS 9, IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	immaterial
Volume 11	Annual Improvements	January 1, 2026	immaterial
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	substantial presentation changes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027	immaterial
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	still pending	immaterial

Scope of consolidation

As in the previous year, the consolidated entities as of the reporting date comprised seven subsidiaries.

Subsidiaries are defined as companies in which the Company directly or indirectly holds a voting majority or has, in any other way, the power to govern the financial and business policies of an entity in order to benefit from its activities. In assessing control, the Company takes into account potential voting rights that are currently exercisable or convertible. The subsidiaries are included in the consolidated financial statements from the date that the possibility to control commences until the date that such possibility ceases.

The table below shows the subsidiaries and structured entities reflected in the scope of consolidation as of December 31 of the respective year. The percentages noted refer to the interest Siltronic has directly or indirectly in the respective companies and funds:

Composition of the Group

In %	Dec. 31, 2024	Dec. 31, 2023
Europe		
Siltronic Holding International B.V., Rotterdam/The Netherlands	100.0	100.0
North America		
Siltronic Corp., Portland, Oregon, USA	100.0	100.0
Asia		
Siltronic Singapore Pte. Ltd., Singapore	100.0	100.0
Siltronic Silicon Wafer Pte. Ltd., Singapore	77.7	77.7
Siltronic Japan Corporation, Tokyo/Japan	100.0	100.0
Siltronic Korea Ltd., Seoul/South Korea	100.0	100.0
Siltronic Shanghai Co. Ltd., Shanghai/China	100.0	100.0

Consolidation methods

The consolidated financial statements are based on the individual financial statements of the Company and its consolidated subsidiaries.

Intra-group balances and transactions are eliminated.

Acquisitions

The Group accounts for its business combinations using the acquisition method when control is transferred to the Group. The consideration transferred is measured at fair value and allocated to the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit and loss immediately. Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognized in profit or loss.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss.

Foreign currency translation

The financial statements of consolidated companies are prepared using the currency of the primary economic environment in which the entity operates (the functional currency) and translated on the basis of the functional currency principle using the modified closing rate method, in which balances, with the exception of equity, are translated from the functional currency to the reporting currency using the spot rates prevailing at the period end, while amounts in the statement of profit or loss are translated using the period's average exchange rates.

The Company and its subsidiaries conduct their business in the respective functional currency, which is the local currency. Any net gains or losses arising from the translation of equity are recognized directly in other comprehensive income. Translation differences on monetary assets and liabilities resulting from fluctuating exchange rates are recorded in the statement of profit or loss. If a Group company is removed from consolidation, any translation difference is reclassified from equity to profit or loss.

Exchange rates
The table below includes the exchange rates between the most significant currencies reported in these consolidated financial statements and the euro for the reporting periods.

		Spot rate on December 31		Average for the year	
	ISO-Code	2024	2023	2024	2023
US dollar	USD	1.04	1.11	1.08	1.08
Japanese yen	JPY	163	156	164	152
Singapore dollar	SGD	1.42	1.46	1.45	1.45

Estimates and assumptions used in preparing the consolidated financial statements

The preparation of the consolidated financial statements in compliance with IFRS requires management to make assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Changes in accounting estimates are recognized as soon as they become apparent and affect the net results for the period in which the estimates have changed and in any future periods affected.

Despite the fact that the assumptions and estimates are made to the best of management's knowledge based on current events and measures, actual results may differ from these estimates.

Information about judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes below:

- Valuation of right-of-use assets and lease liabilities:
  Assumptions when using extension options (see Note 06)
- Presentation of amounts in connection with working capital management measures:
  Recognition in the statement of financial position and in the cash flow statement (see Note 08)

The following areas involve significant estimates and assumptions and are therefore the most likely to be affected if actual results differ from estimates:

- Recognition and recoverability of deferred tax assets:
  Assumptions regarding planned taxable income and the consideration of positive and negative factors for the assessment of tax benefits (see Note 03)
- Recoverability of property, plant and equipment and goodwill:
  Assumptions used in the impairment test to determine the recoverable amount (see Notes 04 and 05)
- Recognition and valuation of provisions and contingent liabilities:
  Assumptions and estimates regarding the probability of occurrence, timing and amount of the benefit outflow (see Note 12 and 14)
- Valuation of defined benefit obligations:
  Actuarial assumptions (see Note 11)

Accounting policies

The Company and its subsidiaries apply uniform methods for the recognition and valuation of assets, liabilities, income and expenses.

Assets and liabilities of the consolidated financial statements are reported based on their historical cost, with the exception of the items reported at fair value. In particular, derivative financial instruments and plan assets used to cover future pension obligations are recorded at fair value. The accounting policies have been applied consistently.

Intangible assets

Internally generated intangible assets are capitalized if it is probable that a future economic benefit can be associated with the use of the asset and the costs of the asset can be determined reliably. Such assets are recognized at cost and amortized on a straight-line basis. Their stated useful lives correspond to those of the intangible assets acquired against payment. Capitalized development costs are valued at acquisition or production cost less accumulated amortization and accumulated impairment losses.

Property, plant and equipment

Property, plant and equipment is capitalized at cost and depreciated on a straight-line basis over its expected economic life. The useful life is reviewed annually and, if necessary, revised to correspond to new expectations. In addition to the purchase price, acquisition costs include incidental acquisition costs as well as any obligation incurred for the demolition and removing of the asset from its location. Property, plant and equipment is not revalued on the basis of the regulations in IAS 16. Day-to-day maintenance and repair costs are expensed as incurred. Costs for replacing parts or carrying out major overhauls of property, plant and equipment are capitalized if future economic benefits are likely to accrue to the Group and if the costs can be measured reliably.

Borrowing costs that are directly or indirectly attributable to the acquisition or production of a qualifying asset are capitalized as part of acquisition or production costs until the asset is available for use. Siltronic capitalized borrowing cost in the period under review.

Depreciation and amortization

Depreciation and amortization are calculated using the straight-line method and based on the following useful lives:

Useful lives

	Years
Intangible assets	3 to 7
Buildings	8 to 30
Machinery and equipment	4 to 10
Factory and office equipment	3 to 10

If, having been measured in accordance with the above principles, the carrying amounts of intangible assets or items of property, plant and equipment that were amortized or depreciated are higher than their recoverable amounts as of the reporting date, corresponding impairment losses are recognized as an expense.

The Group reviews regularly the residual value and the useful life of assets.

At the end of every reporting date, the Group checks whether there are triggering events for recognizing (or reversing) impairments. An impairment loss is then recognized in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher amount of the fair value less costs to sell, and the value in use. The value in use is the present value of estimated future cash flows that are discounted using risk-adjusted pre-tax interest rates. For the purpose of determining cash flows, assets are summarized at the lowest level for which cash flows can be separately identified (so-called cash-generating units). If the reasons for impairment no longer exist, reversals of impairment losses are recognized if necessary. The reversal is limited to the carrying amount that would have resulted without impairment. Impairment losses are reported as other operating expenses, reversals thereof as other operating income.

Government grants

Government grants related to the acquisition of an asset are deferred and recognized as other operating income over the amortization period. Unless otherwise indicated, these grants (investment incentives) are provided by government bodies.

Government grants resulting from low-interest loans are initially recognized as deferred income at fair value. The grants are subsequently recognized in profit or loss either over the useful lives of the assets or, if the grants relate to the compensation of expenses, at the time the expenses are incurred. Investment grants from low-interest loans are recognized as other operating income, while expense grants from low-interest loans are deducted from interest expense.

Inventories

Inventories are measured at cost using the average cost method. Lower net realizable values or prices are taken into account by means of write-downs to fair value less costs to sell. Cost of sales includes directly attributable costs as well as appropriate portions of indirect material and labor costs, administrative expenses, and depreciation. Due to the short-term production processes, financing costs are not included as part of acquisition or production costs. The overhead cost allocations are determined on the basis of a specific capacity utilization.

Write-downs are recognized for inventory risks resulting from obsolescence or reduced usability or to reflect other reductions in the recoverable amount.

Unfinished and finished goods are combined for disclosure purposes due to the nature of the wafer production process. The position raw materials and supplies also includes spare parts for the ongoing maintenance of production facilities. They are valued on the basis of their storage period and inventory turnover rate.

Financial instruments

Trade receivables are recognized from the date on which they arise. All other financial assets and liabilities are initially recognized on the trade date when the company becomes a party to the contract in accordance with the contractual provisions of the instrument.

Except for trade receivables, a financial asset or financial liability is initially measured at fair value. For an item that is not measured at fair value through profit or loss, the transaction costs directly attributable to its acquisition or issue are added. Trade receivables without significant financing components are initially measured at the transaction price. The fair value of financial instruments corresponds to the amount that the Group would receive or pay if an exchange or settlement of the financial instruments took place. If available, quoted market values for financial instruments are used. Otherwise, the fair values are calculated on the basis of the market conditions prevailing on the valuation date, normally interest rates and exchange rates. The fair value is determined using financial mathematical methods, e.g. by discounting the future cash flows at the market interest rate or using generally accepted option pricing models.

The Group's financial assets comprise cash and cash equivalents, trade receivables, other financial receivables, fixed-term deposits, securities and primary and derivative financial assets. Financial assets must generally be settled in cash or for another asset. This includes trade liabilities and derivative financial liabilities.

For the subsequent measurement of financial assets, the Group is required to assess the objectives of the business model in which the financial asset is held. This is done at a portfolio level as it best reflects the way the business is managed, and information is given to management. According to the business model, financial assets are measured at amortized cost (AC), at fair value with changes in profit or loss (FVTPL) or at fair value with changes in other comprehensive income (FVOCI).

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is valued at amortized cost if it (i) is not designated as FVTPL and is held as part of a business model whose objective is to hold financial assets for the collection of the contractual cash flows, and (ii) the contractual terms of the financial asset lead to cash flows at defined points in time that solely represent the repayment of principal and interest payments on outstanding amounts. Subsequent valuation is made using the effective interest method. Amortized costs are reduced through impairment losses. Interest income, foreign exchange gains and losses and impairment are reported through profit or loss. A gain or loss arising from the derecognition of an item is reported through profit or loss.

A debt instrument is designated as FVOCI if it is not designated as FVTPL and is held as part of a business model whose objective is (i) to hold financial assets for the collection of the contractual cash flows as well as to sell financial assets, and (ii) the contractual terms lead to cash flows at set points in time that solely represent the repayment of principal and interest on the outstanding amount. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized through profit and loss. Other net gains or losses are reported under other comprehensive income. Upon derecognition, accumulated other comprehensive income is reclassified to profit or loss.

All financial instruments not measured at amortized cost or as FVOCI are recognized as FVTPL. This also comprises all derivative financial assets. Net gains and losses, including any interest or dividend income, are recognized through profit and loss.

For further information see Note 16 Financial Instruments.

Impairment of financial assets

For financial assets measured at amortized cost or at fair value through other comprehensive income, Siltronic determines allowances for expected credit losses using the expected credit loss (ECL) model in accordance with IFRS 9.

The ECL model is mainly used for cash and cash equivalents, time deposits, securities measured at amortized cost, trade receivables, contract assets and other financial assets. The expected credit losses are adjusted at the respective closing date to reflect changes in credit risk since initial recognition. Further information is given in Notes 08 and 09.

Derivative financial instruments

Derivative financial instruments are generally measured at fair value, regardless of the purpose or intention for which they were entered into. Positive market values result in the recognition of a receivable, negative market values in the recognition of a liability. Derivative financial instruments are used primarily for hedging purposes in order to reduce the Group's exposure to foreign currency exchange rates. Contracts concluded in order to receive or deliver non-financial goods for the Group's own use are not accounted for as derivatives but are treated as pending transactions.

Where derivative financial instruments are used to hedge risks from future cash flows, the Group applies hedge accounting in accordance with the requirements of IAS 39 where possible. Changes in the market value of derivatives used to hedge the risk of fluctuating cash flows denominated in a foreign currency ("cash flow hedge") were recognized in other comprehensive income, taking deferred taxes into account. The accumulated amount of other comprehensive income of the hedging instrument was not released in the statement of profit or loss until the hedge item was realized. Currency hedges of planned sales are reported in other operating income, while hedges of selected intragroup transactions are reported in other financial income. If a corresponding derivative is sold or if the conditions for a hedging relationship are no longer met, the change in value of the derivative remains in other comprehensive income until the underlying transaction occurs.

Receivables and other assets, contract assets, fixed-term deposits and cash and cash equivalents

Trade receivables and other assets (including tax receivables) except for financial derivatives, cash and cash equivalents and fixed-term deposits are generally recognized at cost. Contract assets are recognized if Siltronic has fulfilled its contractual obligations with customers, and an unconditional right to receive consideration from the customer does not yet exist. Contract assets are recognized at the transaction price.

Income taxes

Income taxes include all domestic and foreign taxes based on the taxable result. They include both current income taxes and deferred taxes. The current income taxes are based on the respective national tax results and regulations for the year. Also included are adjustments for any subsequent tax payments or refunds from outstanding tax returns from previous years and from tax audits.

Deferred tax assets and liabilities are recognized for temporary differences between tax bases and carrying amounts. The deferred tax assets include existing loss carryforwards, the realization of which is assured with sufficient probability. Deferred taxes are determined on the basis of the tax rates which, under current law, are applicable or anticipated in the individual countries when they are realized. Deferred tax assets and liabilities are offset only to the extent possible under the same tax authority. The change of deferred tax assets and liabilities is recognized in the statement of profit or loss. In cases where profits or losses are recognized in other comprehensive income, the deferred tax effect is likewise posted under other comprehensive income.

Deferred tax assets from deductible temporary differences and tax loss carryforwards which exceed deferred tax liabilities from taxable temporary differences are only recognized to the extent that the respective Group company will generate sufficient taxable income to realize the corresponding benefit. The Group reviews deferred tax assets for impairment at each Group reporting date.

Provision for pensions – defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prevoius periods, discounting that amount, and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually using the projected unit credit method. When the calculation results in an asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest income), and the effect of the asset ceiling (if any), are recognized immediately in other comprehensive income. Actuarial gains and losses are arising from the difference between the estimate at the start of the period and actual outcome at the end of the period in relation to mortality rates, pension and salary trends, and discount rates.

The Group determines net interest expenses on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability applicable at that date, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expenses and other expenses to defined benefit plans are recognized in profit and loss.

If the present value of a defined benefit obligation changes due to a plan modification or curtailment, the Group recognizes the effect as past service cost. This is immediately recognized in profit or loss when it occurs. The profits and losses resulting from settlement are also recognized immediately in the statement of profit or loss when settlement takes place. Administrative expenses that are not related to the management of plan assets are likewise recognized in profit or loss when incurred. The expense incurred in funding the pension provisions (service cost) is allocated to the costs of the functional areas concerned. The interest cost is reported under other financial result.

Provision for pension – defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Provisions for early retirement and anniversaries

Provisions for early retirement and anniversaries are measured in accordance with actuarial appraisals and belong to other long-term employee benefits. The Group's net liability is the amount of future benefits that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Provisions for early retirement are linked to the rendering of future service.

The provisions are recognized on a pro rata basis over the service period during the work phase. The part of the salary that employees forgo during the work phase is secured with plan assets against default. The provision for early retirement represents the Group's net liability, i.e. after the plan assets have been offset against the total obligation. The additional compensation granted is not completely earned until the required work has been rendered in full by the employees.

Other provisions

Non-current provisions are measured at the discounted present value as of the reporting date. The discount rate applied is the current market interest rate for risk-free investments with terms corresponding to the residual term of the obligation to be settled.

Provisions for environmental protection are recognized if the future cash outflows for complying with environmental legislation or for remediation measures are probable, the costs can be estimated with sufficient accuracy and no future benefits can be expected from such measures.

If an amended estimate results in a reversal of a provision during the financial year, the impact is recognized in the same line item of the statement of profit or loss as the original estimate. Otherwise the income is recognized in other operating income.

Liabilities and customer prepayments

Loan liabilities, trade payables, customer prepayments and other liabilities (including tax liabilities) are measured at amortized cost using the effective interest method.

Liabilities to a payment service provider are recognized under other financial liabilities. This relates to the assignment of trade payables to financing partners arranged by a payment service provider. The payment service provider, together with Siltronic, handles payment to the suppliers. The financial resources provided are reimbursed to the financing partner with a delay of two months. Trade payables are recognized in other financial liabilities from the date of transfer. The cash inflows and outflows are recognized in the operating cash flow because they continue to be part of the Group's normal operating cycle and their essential nature remains operational, i.e. they represent payments for the purchase of goods and services.

Right-of-use assets of leases and lease liabilities

As a first step, the Group assesses whether the contract contains a lease. This is the case if the agreement entitles the Group to control the use of an identified asset for a specified period of time against consideration. If an agreement contains both lease and non-lease components, the Group allocates the contractually agreed consideration based on the relative individual sales prices, where possible and practicable.

On the date of allocation, the Group recognizes an asset for the right of use granted and a lease liability. The lease liability is recognized as a liability at the present value of the lease payments not yet paid. Lease payments include fixed payments as well as variable payments, residual value guarantees and purchase, termination and extension options if the Group is sufficiently certain that it will be able to exercise them. The present value of the lease payments is determined using the interest rate underlying the lease. If this cannot be determined easily, the Group's incremental borrowing rate is used. This takes into account the nature of the asset and the lease terms.

The lease liability is valued at amortized cost using the effective interest method. A revaluation is carried out if there is a change in future lease payments or new information and estimates regarding residual value guarantees and the exercise of purchase options, termination or extension options exist.

The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability, less any lease incentives received and amortized on a straight-line basis from the commencement date to the end of the lease term. If the exercise of a purchase option has been classified as reasonably certain, the asset is amortized over its entire useful life. In addition, the right-of-use asset is adjusted for impairment losses, if necessary, and adjusted when the lease liability is remeasured.

In accordance with IFRS 16, the Group has decided not to recognize right-of-use assets and lease liabilities for low-value leases and for short-term leases. As a result, the payments relating to these leases are expensed on a straight-line basis over the term of the lease.

Sales recognition

Siltronic generates revenues primarily from the sale of high-purity silicon wafers. The decisive factor for the realization of sales is the date on which control is transferred to the customer. At which point-in-time control has passed to the customer is assessed on the basis of the following criteria:

- Transfer of risks and rewards to the customer
- Right to payment for Siltronic
- Acquisition of ownership by the customer

Revenue from services is recognized as soon as the service has been rendered.

Sales comprise the fair value of the consideration received for the sale of goods and services in the ordinary course of business. They are reported net of value-added tax and other taxes incurred in connection with sales.

Cost of sales

Cost of sales includes all expenses associated with producing or acquiring the products or services sold to a customer. In addition to directly attributable costs such as raw materials and supplies, direct labor and energy costs, cost of sales includes depreciation/amortization, appropriate overhead costs allocated to manufacturing activities, and inventory write-downs.

Selling expenses, research and development costs, and general administration expenses

Selling expenses include costs incurred by the sales organization and the cost of market analysis, cost for application technology on customer side and commission expenses.

Research and development expenses include costs incurred in the development of products and processes. Research costs in the narrow sense are recognized as expenses when they are incurred and not capitalized. Development costs are capitalized if all the prescribed recognition criteria have been met i.e. the research phase can be separated clearly from the development phase, and the costs incurred can be allocated to the individual project phases without any overlap. Additionally, there must be sufficient certainty that future cash inflows will be realized.

General administration expenses include the pro rata payroll and material costs of corporate control functions, human resources, and accounting and information technology, unless they have been charged as an internal service to other functional areas.

Timing of recognition of income and expenses

Operating expenses are reported as expenses when the service is utilized and interest income is accrued using the effective interest rate.

Notes to the statement of profit or loss

01 Sales, cost of sales, other operating income, and other operating expenses

In EUR million	2024	2023
Sales	**1,412.8**	**1,513.8**
thereof sales of contracts with customers	*1,412.8*	*1,513.8*
Cost of sales	**–1,137.4**	**–1,141.6**
thereof inventory valuation allowance	*–16.4*	*–15.2*
thereof reversal of valuation allowance	*4.2*	*6.4*
Other operating income		
Currency gains and derivatives	83.5	111.3
Grants for research and investments	1.5	2.0
Reversal of provisions and liabilities	2.7	3.0
Gains from disposal of property, plant and equipment	0.2	0.1
Reversal of valuation allowances for receivables	0.2	–
Other	2.8	1,3
Total	**90.9**	**117.7**
Other operating expenses		
Currency losses and derivatives	**–83.8**	**–94.9**
Impairment of property, plant and equipment	–	–1.1
Losses from disposal of property, plant and equipment	–1.8	–3.1
Other	–4.7	–1.4
Total	**–90.3**	**–100.5**

Revenues are generated almost exclusively from the sale of wafers. A breakdown of sales by region can be found in Note 18.

Depreciation and amortization, personnel expenses, cost of materials

Depreciation and amortization expenses amount to EUR 238.5 million in 2024 (previous year: EUR 202.5 million).

Personnel expenses amount to EUR 369.2 million (previous year: EUR 370.8 million), of which EUR 300.2 million was attributable to salaries (previous year: EUR 303.8 million), EUR 31.8 million to social security (previous year: EUR 30.0 million), and EUR 37.2 million to pensions (previous year: EUR 37.0 million). The cost of materials came to EUR 505.2 million (previous year: EUR 518.8 million).

02 Interest income and expenses, other financial result

In EUR million	2024	2023
Net interest income		
Interest income	14.0	23.0
Interest expenses	–32.3	–20.0
Total	**–18.3**	**3.0**
Other financial result		
Interest cost on provisions	–5.4	–6.0
Other financial income	1.9	6.2
Other financial expenses	–3.1	–3.7
Total	**–6.6**	**–3.5**

Interest income was generated from financial investments and interest-bearing securities.

Interest expense mainly relates to interest expenses for loans taken out in the financial year and in the previous year.

Other financial result

The interest cost on provisions mainly refers to pensions and includes net interest on the net defined benefit liability.

Previous years other financial income and expenses mainly relate to transactions directly or indirectly connected with a special fund. The shares in the special fund were redeemed in the previous year.

03 Income taxes

Income taxes are calculated on the basis of applicable or anticipated tax rates according to the tax laws in the individual countries as of the realization date. These tax rates are generally based on the legal statutes valid or adopted as of the reporting date.

In Germany, the applicable tax rates include corporate income tax, a solidarity surcharge on corporate income tax and trade income tax that varies depending on the municipality in which a company is located.

Tax rates in Germany

In %	**2024**	2023
Weighted average trade income tax rate	13.3	13.3
Corporate income tax rate	15.0	15.0
Solidarity surcharge on corporate income tax	5.5	5.5
Income tax rate for Siltronic AG in Germany	29.1	29.1

Profits generated by foreign subsidiaries are taxed in the respective countries at the relevant local and national tax rates. The income tax rates for the foreign subsidiaries are within a range of 5 percent to 31 percent.

Temporary tax differences due to undistributed profits of subsidiaries are only recognized if a distribution is planned. As the Executive Board of the parent company determines the dividend policy of the subsidiaries, the Group can control the reversal of temporary differences. Subsidiaries have EUR 1,190.2 million (previous year: EUR 996.5 million) in distributable amounts and EUR 59.5 million (previous year: EUR 49.8 million) linked to deferred tax liabilities. The deferred tax liability was not recognized as no reversal of the tax difference is expected in the foreseeable future.

The tax expenses reported for 2024 were EUR 33.1 million (previous year: EUR 29.5 million). Applying the German tax rate on the result before tax would result in tax expense of EUR 29.2 million (previous year: EUR 67.2 million). The difference between the expected tax expense and the actual tax expense of EUR -3.9 million (previous year: EUR 37.7 million) in the reporting year, as in the previous year, is primarily due to tax rate-related deviations and changes in valuation allowances on deferred tax assets.

The amount of valuation allowances applicable to deferred tax assets depend on the expected realization of potential tax benefits in the future.

Overall, the expense from the increase in valuation allowances on deferred tax assets totalled EUR 7.0 million in the reporting year (previous year: income of EUR 2.8 million). Temporary differences resulted in an income of EUR 2.2 million in 2024 (previous year: expense EUR 2.1 million). Deferred tax expense due to changes in tax rates of a subsidiary in Singapore totalled EUR 7.3 million (previous year: EUR 0.0 million).

Income taxes include current tax income from previous years totalling EUR 4.1 million (previous year: EUR 0.4 million) and current tax expenses from previous years amounting to EUR 0.6 million (previous year: EUR 2.2 million).

Tax expense

In EUR million	**2024**	2023
Current taxes, Germany	1.9	–8.6
Current taxes, foreign	–20.3	–21.6
Total current taxes	–18.4	–30.2
Deferred taxes, Germany	–8.3	1.1
Deferred taxes, foreign	–6.4	-0,4
Total deferred taxes	–14.7	0.7
Total income taxes	–33.1	–29.5
Reconciliation of effective tax rate		
Result before taxes	100,3	230,8
Expected income tax rate for Siltronic AG in %	29.1	29.1
Expected tax expense (–)/benefit (+)	–29.2	–67.2
Variance in tax rate	16,7	34,2
Effect of non-deductible expenses	–0.9	–0.2
Effect of tax-free income	1.6	3.0
Taxes relating to other periods (current earnings)	3.5	-1.8
Effect due to unrecognized deferred tax assets	–15.8	3.3
Effect of deferred taxes due to change in tax rate	–7.3	–
Other variances	–1.7	–0.8
Total income taxes	**–33.1**	**–29.5**
Effective tax rate in %	**33.0**	**12.8**

Due to the utilization of previously unrecognized tax losses from previous periods, the actual income tax expense in the current financial year decreased by EUR 0.2 million (previous year: EUR 0.4 million).

The following table shows the allocation of deferred taxes to the assets and liabilities:

Allocation of deferred taxes

	As of December 31, 2024		As of December 31, 2023	
In EUR million	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	–	4.1	–	0.3
Property, plant and equipment	1.1	13.4	0.1	3.0
Right-of-use assets	–	12.5	–	6.1
Current assets	17.7	8.2	20.2	5.1
Other provisions	2.4	0.3	2.0	0.4
Liabilities	23.3	1.1	8.6	1.1
Loss carryforwards	0.4	–	0.6	–
Total	**44.9**	**39.6**	**31.5**	**16.0**
Netting	–30.9	–30.9	–13.5	–13.5
Deferred taxes reported in the statement of financial position	**14.0**	**8.7**	**18.0**	**2.5**

Deferred tax assets and deferred tax liabilities are netted only when future benefits and obligations relate to the same taxable entity and to the same tax authority.

EUR 14.7 million of the changes in deferred tax assets and liabilities were recognized as expense (previous year: income of EUR 0.7 million) in the income statement, while EUR 3.8 million was recognized directly in equity (previous year: income of EUR 2.1 million). The changes in equity relate to derivatives (cash flow hedge and interest swap).

There are unutilized tax loss carryforwards amounting to EUR 67.7 million (previous year: EUR 35.0 million). Of this amount, EUR 30.7 million will expire in the coming years as follows:

Tax loss carryforwards

In EUR million	2024	2023
Within 1 year	1.4	1.1
Within 2 years	29.3	2.9
Within 3 years	–	30.4
Within 4 years	–	–
Within 5 years or later	–	–
Total	**30.7**	**34.4**

The expiring loss carryforwards relate to the Japanese subsidiary. It is highly probable that only a very small portion of the loss carryforwards can be utilized, which is why only deferred tax assets on loss carryforwards of EUR 0.4 million (previous year: EUR 0.6 million) have been recognized. If deferred taxes had been recognized on the valuation allowances for loss carryforwards, the amount would have been EUR 19.2 million (previous year: EUR 11.2 million).

As of December 31, 2024, no deferred tax assets were recognized for deductible temporary differences in the amount of EUR 114.3 million (previous year: EUR 116.8 million).

Global Minimum Taxation

The Group operates in Germany, which has passed a new law introducing global minimum taxation. As a subsidiary in Singapore is granted a favorable tax rate due to investments made, it is generally affected by the minimum taxation. Due to the Substance-based Income Exclusion, the Group has not recognized any top-up tax related to the global minimum taxation in the current tax expense.

The Group applied the temporary, mandatory exemption rule with regard to the recognition of deferred taxes resulting from the introduction of global minimum taxation and recognized these as actual tax expense/ income at the respective date of occurrence.

In December 2024, Singapore enacted new tax legislation to introduce a national top-up tax, which comes into effect on January 1, 2025. Therefore, starting from 2025, the subsidiary will be obligated to pay the top-up tax related to its business activities instead of Siltronic AG, if applicable.

Notes to the statement of financial position

04 Development of intangible assets

	2024			
In EUR million	Goodwill	Development Costs	Other	Total
Cost				
January 1	20.5	12.9	38.8	72.2
Additions	–	6.3	6.7	13.0
Disposals	–	–	–1.6	–1.6
Transfers	–	–	0.7	0.7
Effect of movements in exchange rates	–	–	1.0	1.0
December 31	**20.5**	**19.2**	**45.6**	**85.3**
Amortization				
January 1	–	12.9	37.1	50.0
Additions	–	–	1.2	1.2
Disposals	–	–	–1.7	–1.7
Transfers	–	–	–	–
Effect of movements in exchange rates	–	–	1.0	1.0
December 31	**–**	**12.9**	**37.6**	**50.5**
Carrying amount as of December 31	**20.5**	**6.3**	**8.0**	**34.8**

	2023			
In EUR million	Goodwill	Development Costs	Other	Total
Cost				
January 1	20.5	12.9	40.0	73.4
Additions	–	–	1.4	1.4
Disposals	–	–	–2.3	–2.3
Transfers	–	–	0.3	0.3
Effect of movements in exchange rates	–	–	–0.6	–0.6
December 31	**20.5**	**12.9**	**38.8**	**72.2**
Amortization				
January 1	–	12.9	38.8	51.7
Additions	–	–	1.3	1.3
Disposals	–	–	–2.3	–2.3
Transfers	–	–	–0.1	–0.1
Effect of movements in exchange rates	–	–	–0.6	–0.6
December 31	**–**	**12.9**	**37.1**	**50.0**
Carrying amount as of December 31	**20.5**	**0.0**	**1.7**	**22.2**

In the financial year 2024, intangible assets relating to development costs in the amount of EUR 6.3 million and other intangible assets in the amount of EUR 6.5 million were capitalized. These had not yet been completed as of the reporting date.

05 Development of property, plant and equipment

In EUR million	2024 Land, buildings and similar rights	Machinery and technical equipment	Other equipment, factory and office equipment	Assets under construction and advanced payments	Total
Cost					
January 1	787.3	3,566.1	153.9	2,277.0	6,784.3
Additions	18.2	83.8	7.1	401.3	510.4
Disposals	–0.3	–23.8	–3.1	–0.1	–27.3
Transfers	301.8	206.4	4.8	–513.7	–0.7
Effect of movements in exchange rates	23.4	58.8	0.9	54.4	137.5
December 31	**1,130.4**	**3,891.3**	**163.6**	**2,218.9**	**7,404.2**
Depreciation and impairment losses					
January 1	471.5	2,863.3	130.8	–	3,465.6
Additions	27.8	188.0	9.7	–	225.5
Impairment loss	–	–	–	–	–
Disposals	–0.4	–22.0	–3.1	–	–25.5
Reversal	–	–	–	–	–
Transfers	–	–	0.1	–	0.1
Effect of movements in exchange rates	12.3	49.2	0.8	–	62.3
December 31	**511.2**	**3,078.5**	**138.3**	**0.0**	**3,728.0**
Carrying amount as of December 31	**619.2**	**812.8**	**25.3**	**2,218.9**	**3,676.2**

In EUR million	2023 Land, buildings and similar rights	Machinery and technical equipment	Other equipment, factory and office equipment	Assets under construction and advanced payments	Total
Cost					
January 1	689.8	3,388.3	154.4	1,340.6	5,573.1
Additions	13.4	77.4	4.4	1,219.4	1,314.6
Disposals	–0.1	–24.9	–8.8	–	–33.8
Transfers	94.7	161.9	4.5	–261.4	–0.3
Effect of movements in exchange rates	–10.5	–36.6	–0.6	–21.5	–69.2
December 31	**787.3**	**3,566.1**	**153.9**	**2,277.1**	**6,784.4**
Depreciation and impairment losses					
January 1	460.7	2,747.0	130.4	–	3,338.1
Additions	18.1	164.0	9.6	–	191.7
Impairment loss	–	1.1	–	–	1.1
Disposals	–0.1	–19.1	–8.7	–	–27.9
Reversal	–	–	–	–	–
Transfers	–	–	–	–	–
Effect of movements in exchange rates	–7.2	–29.7	–0.5	–	–37.4
December 31	**471.5**	**2,863.3**	**130.8**	**0.0**	**3,465.6**
Carrying amount as of December 31	**315.8**	**702.8**	**23.1**	**2,277.1**	**3,318.8**

In 2024, borrowing costs of EUR 8.6 million (previous year: EUR 6.9 million) were capitalized under assets under construction. The underlying borrowing cost rate was weighted at 2.3 percent (previous year: 2.4 percent)

For the purpose of the annually impairment testing, goodwill has been allocated to the Group's Cash Generating Unit (CGU) "300 mm". The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The present value of the CGU exceeds its carrying amounts significantly by nearly EUR 400 million (previous year: more than half a billion euros). In addition to the property, plant and equipment of the CGU, the carrying amounts also include goodwill of EUR 20.5 million. The goodwill is immaterial in relation to the assets of the CGU.

The key assumptions used for the calculation of the present value are a remaining useful life of the leading asset of the CGU, a long-term EBITDA figure, necessary investments and a discount rate.

The remaining useful life of the asset dominating the CGU is derived from buildings specifically designed for the production of wafers. The remaining useful life of just under 40 years is based on the useful lives achieved, taking into account initiated investments in buildings and maintenance investments.

Long-term EBITDA is determined on the basis of the production capacities taking into account investments that have already been triggered, actual utilization rates of production capacities achieved over six years, an expected price development and a safety margin. The long-term EBITDA thus estimated following the five-year medium-term plan is intended to reflect the cyclical fluctuations in our business. Apart from the triggered investments in capacity expansions, no growth rate was applied. External sources of information on EBITDA are only available for some components of EBITDA. Part of this is the development of future market demand, which is based on external and internal sources and supports the assumed sustainable capacity utilization.

The investments assumed according to the medium-term planning are derived from historical numbers, and the discount rate was determined from an after-tax indicator based on the historical industry average of the weighted cost of capital. The present value was calculated using a discount rate of close to 11.1 percent.

The following analyses describe the sensitivity of the result to EBITDA and the discount rate: It is possible that EBITDA will be higher or lower due to overcapacity/undercapacity in our industry or due to significant changes in foreign currency exchange rates. If EBITDA were to be continuously 6 percent lower than the EBITDA stated in the medium-term planning and subsequently 6 percent lower than the long-term EBITDA by the end of the remaining useful life, this would result in an impairment. A 1.0 percentage point increase in the discount rate would lead to an impairment.

06 Right-of-use assets and lease liabilities

Siltronic enters into leasing agreements mainly for land, offices, machinery as well as technical and IT equipment. The leasing contracts vary greatly in terms of their term and some of them have extension and termination options. In addition, many contracts are subject to an annual indexation. Such contractual terms are used to ensure maximum operational flexibility for Siltronic. When determining the term of leasing agreements, Siltronic considers all facts and circumstances that provide an economic incentive to exercise renewal and termination options. Options are considered if they are only available to Siltronic and their exercise is deemed reasonably assured.

Lease agreements for office space (reported under buildings) and IT equipment usually have fixed terms of less than five years. One exception is the lease of the head office in Munich, which began in 2019. This contract has term a of ten years. Technical equipment and machinery are leased over a term of up to ten years. In addition, there are four long-term lease agreements for the use of land, for some of which the right-of-use assets are depreciated over a period of more than fifty years. Some of Siltronic's production and administration buildings are located on these land plots. For three of these contracts, the Executive Board has determined that a 30-year extension option is reasonably assured. The leased properties are located in Germany and Singapore.

The development of the carrying amounts of the right-of-use assets is shown below:

Development of right-of-use assets

	2024					
In EUR million	Land	Buildings	Machinery and technical equipment	Cars	IT and other equipment	Total
Carrying amount as of January 1	99.3	5.5	12.5	0.9	2.1	**120.3**
Additions	0.3	0.8	30.1	0.4	–	**31.6**
Depreciation	–2.4	–1.7	–4.9	–0.5	–2.1	**–11.6**
Effect of movements in exchange rates	2.7	–	1.6	–	–	**4.3**
Carrying amount as of December 31	**99.9**	**4.6**	**39.3**	**0.8**	**–**	**144.6**

	2023					
In EUR million	Land	Buildings	Machinery and technical equipment	Cars	IT and other equipment	Total
Carrying amount as of January 1	90.0	4.9	9.8	0.6	2.2	107.5
Additions	14.0	2.5	5.3	0.7	0.5	23.0
Depreciation	–2.9	–1.8	–2.7	–0.4	–0.6	–8.4
Effect of movements in exchange rates	–1.8	–0.1	0.1	–	–	–1.8
Carrying amount as of December 31	**99.3**	**5.5**	**12.5**	**0.9**	**2.1**	**120.3**

The following leasing expenses were recognized in the statement of profit and loss:

Leasing expenses

In EUR million	2024	2023
Interest expenses for leasing liabilities	3.0	2.1
Expenses for short-term leases	1.9	2.4
Leasing expenses for low value leases that are not short-term leases	0.6	0.6

Leasing agreements with a term of less than twelve months are classified as short-term leases. Assets of low value at Siltronic include for instance computers and bicycles.

Income from the subleasing of right-of-use assets and expenses for variable lease payments, which were not included in the measurement of the lease liability, exist only to a very limited extent.

Total lease payments in 2024 have amounted EUR 12.8 million (previous year: EUR 11.4 million).

The breakdown of lease liabilities by maturity is shown below:

Maturity of leasing liabilities

	As of December 31, 2024		As of December 31, 2023	
In EUR million	short-term	long-term	short-term	long-term
Lease liability	7.3	136.9	6.1	109.5
of which > 5 years	*–*	*112.7*	*–*	*96.3*

Most of the long-term leasing liabilities are attributable to the lease agreements for the use of properties, some of which still have more than 50 years remaining on their terms, including extension options.

07 Inventories

In EUR million	2024	2023
Raw materials and supplies	182.2	191.5
Finished and unfinished products	126.0	109.3
Total	**308.2**	**300.8**
of which recorded at net realizable value	*0.0*	*0.0*

As of December 31, 2024, unfinished products amounted to EUR 69.5 million (previous year: EUR 52.4 million). Expenses related to inventories accounted for a significant portion of the cost of sales.

08 Trade receivables, contract assets, other financial and non-financial assets as well as income tax receivables

	As of December 31, 2024			As of December 31, 2023		
In EUR million	Total	of which non-current	of which current	Total	of which non-current	of which current
Trade receivables	**142.9**	**–**	**142.9**	**162.4**	**–**	**162.4**
Contract assets	**12.7**	**–**	**12.7**	**12.2**	**–**	**12.2**
Derivative financial instruments	6.5	–	6.5	13.0	0.6	12.4
Other	6.5	–	6.5	6.5	–	6.5
Other financial assets	**13.0**	**–**	**13.0**	**19.5**	**0.6**	**18.9**
Prepaid expenses	11.7	0.2	11.5	10.8	0.1	10.7
Other tax receivables	25.8	–	25.8	32.2	–	32.2
Other	27.1	13.7	13.4	26.4	17.1	9.3
Other non-financial assets	**64.6**	**13.9**	**50.7**	**69.4**	**17.2**	**52.2**
Other financial and non-financial assets	**77.6**	**13.9**	**63.7**	**88.9**	**17.8**	**71.1**
of which maturity > 5 years	*1.6*	*1.6*	*–*	*2.5*	*2.5*	*–*
Income tax receivables	**7.0**	**–**	**7.0**	**2.2**	**–**	**2.2**
of which maturity > 5 years	*–*	*–*	*–*	*–*	*–*	*–*

Contract assets

Contract assets relate to the revenue recognition for customers with whom Siltronic maintains a consignment stock. The amount of contract assets as of December 31, 2024 was not affected by an impairment. Due to immateriality, the impairment loss was not presented separately in the profit and loss statement.

Contract assets are reclassified to trade receivables when an invoice is issued to the customer. The terms of payment of the invoices correspond to the customary national and industry-specific payment terms (no financing components, no variable consideration). Customers are not granted any rights of return, reimbursement or similar rights if the delivered product complies with the contractual terms. In addition, the customer is not entitled to any material warranty or guarantee claims apart from the statutory claims.

Valuation allowances

The Group has established a receivables management system under which each customer is granted payment terms, based on a credit analysis. This analysis takes into account, where available, published ratings, financial statements, information from credit agencies and internal information. An internal rating (1–6) and a credit limit are defined for each customer, which are regularly reviewed in the same way as outstanding exposures. Overdue payments and overruns of credit limits may result in the customer receiving changed payment terms, payment reminders and/or deliveries being stopped.

The Group determines the allowance in accordance with IFRS 9 using the expected credit loss (ECL) model. The ECL model is applied to contract assets as well as to all financial assets measured at amortized cost (see Note 16). Valuation allowances for trade receivables, other financial assets and contract assets are measured at the expected credit loss over the term of the contract.

In estimating expected credit losses, the Group considers information that is relevant and available without inappropriate expense. This includes quantitative and qualitative information, which is based on past experience of the Group and on estimates for the future. The Group assumes that the default risk of a financial asset has increased if it is more than 30 days past due and there is no objective reason such as a complaint. If it is unlikely that a debtor will fully meet its payment obligations, Siltronic considers a financial asset to be impaired. Collateral is included in the analysis.

The 20 largest customers account for roughly 92 percent (previous year: roughly 88 percent) of Siltronic's sales, and a very large proportion of these customers are listed on the stock exchange. This makes it easier to obtain the quantitative and qualitative information used to estimate expected credit losses.

The following table shows the breakdown of trade receivables (EUR 142.9 million), other financial assets (EUR 6.5 million) and contract assets (EUR 12.7 million) measured at amortized cost by risk class in financial year 2024:

in EUR million	**As of December 31, 2024**					
Risk assessment	**Corresponds to external rating**	**Internal rating by Siltronic**	**Loss rate (weighted average) in percent**	**Gross carrying amount**	**Valuation allowance**	**Impaired creditworthiness**
Low	AAA to BBB–	1 to 3	0%	159.9	0.0	No
Medium	BB– to BB+	4	0%	2.1	0.0	No
High	C to D	5 to 6	0%	0.0	0.0	Yes
Total			**0%**	**162.0**	**0.0**	

in EUR million	As of December 31, 2023					
Risk assessment	Corresponds to external rating	Internal rating by Siltronic	Loss rate (weighted average) in percent	Gross carrying amount	Valuation allowance	Impaired creditworthiness
Low	AAA to BBB–	1 to 3	0%	178.4	0.0	No
Medium	BB– to BB+	4	0%	2.7	0.0	No
High	C to D	5 to 6	0%	0.0	0.0	Yes
Total			0%	181.1	0.0	

Loss rates are calculated based on actual credit losses over the last five years. These rates have been multiplied by scaling factors to reflect the differences between the economic conditions at the time the historical data was collected, the current conditions and the Group's view of the economic conditions over the expected life of the receivables. The maximum default risk is the carrying amount. Siltronic does not use credit default insurance coverage.

The valuation adjustments as at December 31, 2024 were below EUR 0.5 million, as they were on December 31, 2023. There were no significant default losses in the reporting year or in the previous year.

09 Cash and cash equivalents, fixed-term deposits and securities

Cash and cash equivalents comprise cash in hand and bank balances as well as time deposits with a maturity of three months or less.

Siltronic has fixed-term deposits of EUR 131.4 million (previous year: EUR 51.6 million) and cash and cash equivalents of EUR 297.1 million (previous year: EUR 386.2 million), which are measured at amortized cost. These are deposited with banks and financial institutions that have a rating of A to BBB, based on the S&P Global Ratings rating.

The estimated valuation allowance for cash and cash equivalents and fixed-term deposits was calculated on the basis of expected losses over the entire remaining term. The Group assumes that its cash and cash equivalents have a low default risk based on the external ratings of banks and financial institutions, which are based on industry default probabilities. The valuation allowances were below EUR 0.1 million (previous year: EUR 0.1 million) on the balance sheet date.

Siltronic manages its securities under two different business models. Securities in the amount of EUR 2.7 million (previous year: EUR 2.2 million) are classified as at fair value through profit or loss, as the management and measurement is based on fair value. In addition, in the current and previous year, securities were acquired whose business model consists of collecting contractual interest and principal payments. These securities in the amount of EUR 235.1 million (previous year: EUR 19.1 million) are measured at amortized cost.

10 Equity

The individual items of equity and their development are shown in the consolidated statement of changes in equity.

Subscribed capital

The subscribed capital of Siltronic AG amounts to EUR 120 million and is divided into 30 million no-par-value shares, each with an imputed share of the capital amounting to EUR 4.00. The shares are registered shares. All the shares are of the same type; each share has the same rights attached to it and allows one vote at the Annual General Meeting.

Capital reserve

The capital reserve amounts to EUR 974.6 million and comprises a premium on the issuance of shares, non-cash capital contributions, and transactions with shareholders.

Retained earnings and net result

In addition to the consolidated result for the current financial year, this item comprises the Group's cumulative net result of previous periods less dividend payouts.

Other equity items

The change in other equity items compared to the previous year is mainly influenced by exchange rates and interest rates. The positive development resulted on the one hand from the increase in interest rates on the valuation of pension obligations and on the other hand from currency translation in connection with the consolidation of subsidiaries. The weaker euro against the Singapore dollar had a particularly positive effect on equity.

Management of capital

The capital management of the Siltronic Group pursues the objective of ensuring the going concern on a sustainable basis and of generating an appropriate return for the shareholders. Instruments of capital management include, amongst others, dividend payments. In managing its capital, Siltronic AG complies with the legal stipulations on capital maintenance. The Company's Articles of Association do not stipulate any capital requirements. The Company does not use any special definitions of capital.

There is conditional capital and authorized capital: The Company's share capital may be increased by up to 3,000,000 by issuing new no-par-value registered shares, whereby the share capital may increase by up to EUR 12 million (conditional capital). Furthermore, the Executive Board is authorized, subject to the approval of the Supervisory Board, to increase subscribed capital until June 25, 2025 by up to a total amount of EUR 36 million through the issue of new no-par-value bearer shares on one or more occasions (authorized capital).

11 Provision for pensions

There are various post-employment pension plans for Group employees, which depend on the legal, economic and fiscal conditions prevailing in the relevant countries. These pension plans generally take into account employees' service term and salary levels.

The Group operates both defined contribution and defined benefit plans. Defined contribution plans lead to no further obligation for the Company beyond paying contributions into special-purpose funds. The Group has both defined contribution and defined benefits plans, which are partly financed through the Pensionskasse der Wacker Chemie VVaG (pension fund) or (fiduciary) funds. Pension obligations result from defined benefit plans in the form of entitlements to pension benefits for eligible active and former employees of the Siltronic Group and their surviving dependents. In essence, the various pension plans guarantee employees lifelong pensions based on the average salary (career average plan) during employment at Siltronic, or capital payments.

The Group has the following pension plans:

Plans supplied by pension fund

For employees in Germany, a basic pension is provided through the legally independent pension fund. This is financed by members' and company contributions. The promised benefits include retirement, disability, and survivors' benefits.

The Pension Fund is a small mutual insurance company within the meaning of § 210 of the Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG) and is regulated by § 233 (1) VAG. It is thus subject to the regulations for German insurers and is supervised by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). There are legal minimum financing requirements.

For employees who joined the pension fund up to 2004, the basic pension is subject to a fixed benefit obligation, which must be taken into account when valuing the pension obligations. The pension level is independent of the age of the contribution payment and also irrespective of the asset interest rate achieved. For employees who entered the Company after 2004, new rates apply to the basic pension. The benefits are based on guaranteed interest rates and the level of benefits depends on the age of the contribution payment. Annual surplus participation may increase future benefits. In addition, employees in Germany can make contributions to the pension fund in respect of the voluntary supplementary pension scheme PK+. Above all, the contributions under the pension scheme regulated by collective agreement are paid into the voluntary higher insurance on the basis of collective bargaining agreements on single payments and old-age pensions, and on working life and demography.

Benefits by direct commitments

In addition to the pension fund commitments, employees in Germany receive direct commitments in the form of an additional pension. The additional pension insures salary elements above and beyond the pension insurance contribution assessment ceiling. For employees who joined the Company before the end of 2004, a pension is granted and depends on the average salary earned during the period of employment with the Group (career average plan). For employees who joined the plan from 2005 onwards, the pension is based on a certain percentage of the salary above the pension insurance contribution assessment ceiling. The resulting capital will bear interest. The benefits may be drawn as a life-long pension or, in the case of commitments from 2005 onwards, as a lump sum. Employees and their surviving dependents are eligible to receive benefits. The employees' entitlements are included in the calculation of the pension obligations. This applies both to employees who joined up to 2004 and to employees who joined from 2005 onwards.

Non-tariff employees in Germany may contribute part of their salary to an employee-financed commitment plan ('Deferred Compensation'). This plan enables employees to defer portions of their future salary claims to pension benefits. Depending on the date of conclusion of the agreement to participate in the benefit plan (commitment), the pension capital will bear interest at 7 percent (1996–2001), 6 percent (2002–2010) or 5 percent (2011–2013). Plans bearing 7 percent or 6 percent interest may be drawn in the form of either a pension or a lump sum. Plans bearing 5 percent interest are paid out exclusively in lump-sum form. From 2015, senior executives can pay parts of their salary into an employee-financed benefit plan at a variable interest rate. The variable interest rate is dependent on the current yield of domestic five-year bearer bonds and is at least 2.5 percent and at most 5 percent. The payout is solely in capital form. Commitments made up to December 31, 2000 are valued at the m/n-tel net present value (in accordance with the projected unit credit method). Commitments made on or after January 1, 2001 are valued at the present value of the acquired expectancy or the acquired capital.

To partially secure the pension obligations from direct commitments, deferred compensation and the pension adjustments of the basic pension (previously unfunded defined benefit obligations), cash is held in a fiduciary fund. The fund is financed through a Contractual Trust Arrangement (CTA). The cash transferred is managed by an external trustee and serves exclusively to finance domestic pension obligations.

For employees joining the Company from 2023 onwards, an employer- and employee-financed, securities-linked direct commitment is granted up to the applicable pension insurance contribution assessment ceiling, which is secured by a trust structure. Employees receive a purely employer-financed contribution to the company pension scheme for the portion of income above the contribution assessment ceiling.

Employees can also voluntarily make additional deferred compensation contributions. The core of the commitment is a so-called Contractual Trust Arrangement (CTA). A trust company, which uses its assets exclusively to finance the Company's pension obligations, invests the pension capital paid in on the capital market. Siltronic guarantees at least the amount of the respective pension contributions.

Investment income generated on the capital market can increase the employee's pension account. The credit balance is protected against insolvency by the CTA. Employees and their surviving dependents are entitled to benefits. At the time of the benefit claim, the pension capital is actuarially converted into a monthly pension of equal value. Alternatively, the beneficiary can choose a lump sum, up to 5 installments or a combination of 30 percent partial capital and 70 annuity.

Employees who joined the Company on or after January 1, 2005 and before January 1, 2023 can voluntarily switch to the new system. In this case, the entitlements acquired under the old system will be maintained.

The pension entitlements in Germany are protected against insolvency by the Mutual Pension Assurance Association (Pensionsversicherungsverein a.G.). The insolvency insurance has an upper limit. There are no legal minimum funding requirements.

United States

Various pension plans are available for employees of foreign subsidiaries, subject to the statutory provisions applicable in the respective countries. Except for the US pension plans, these pension plans are not significant to the Group.

In the United States, defined benefit plans are in place for employees of Siltronic Corporation, Portland who entered the Company before end of 2003. Both plans have been closed to new hires after December 31, 2003. The defined benefit obligations are only continued for old commitments. Retirement benefits are paid monthly starting at age 65 and are based on the last average salary paid. Special provisions apply to early retirement at age 55, depending on the employee's years of service. Post-retirement health care and severance benefits are also provided to eligible employees due to the related character. Hires in the United States after 2003 only receive defined contribution benefits.

The present value of defined benefit obligations reconciles with the provisions recognized in the statement of financial position as follows:

Net liability of defined benefit obligations

	As of December 31, 2024			As of December 31, 2023		
In EUR million	**Germany**	**Foreign**	**Total**	Germany	Foreign	Total
Present value of the at least partially fund-financed defined benefit obligations	828.4	96.3	924.7	835.6	98.5	934.1
Fair value of plan assets	711.0	100.3	811.3	699.3	96.8	796.1
Funded status	**117.4**	**–4.0**	**113.4**	**136.3**	**1.7**	**138.0**
Present value of unfunded defined benefit obligations	–	8.2	8.2	–	8.0	8.0
Impact of asset ceiling	11.9	–	11.9	–	–	–
Net defined benefit obligations	**129.3**	**4.2**	**133.5**	**136.3**	**9.7**	**146.0**
Economic benefit recognized as an asset	0.6	–	0.6	–	–	–
Provisions for pensions and similar obligations	**129.9**	**4.2**	**134.1**	**136.3**	**9.7**	**146.0**

Development of the net liability of defined benefit obligations

	2024		
In EUR million	Projected benefit plan obligation	Fair value of plan assets	Difference
As of January 1	**942.1**	**796.1**	**146.0**
Current service cost	14.6	–	14.6
Interest expenses and interest income	32.3	27.6	4.7
Administrative cost paid out of plan assets	–	–0.2	0.2
Past service cost	–	–	–
Remeasurements			
Gains (–)/losses (+) from plan assets, excluding amounts recognized in interest income	–	8.9	–8.9
Gains (–)/losses (+) from changes in demographic assumptions	0.2	–	0.2
Gains (–)/losses (+) from changes in financial assumptions	–25.2	–	–25.2
Gains (–)/losses (+) from changes in experience-based assumptions	–13.7	–	–13.7
Impact of asset ceiling	–	–11.9	11.9
Effects of exchange-rate differences	6.5	6.1	0.4
Contributions by			
the employer to the German pension fund	–	1.3	–1.3
the employer to the foreign pension assets	–	–	–
the employer to the CTA	–	0.7	–0.7
Pension plan beneficiaries	6.6	6.6	–
Pension payments	–30.5	–35.8	5.3
As of December 31	**932.9**	**799.4**	**133.5**

	2023		
In EUR million	Projected benefit plan obligation	Fair value of plan assets	Difference
As of January 1	**864.8**	**752.8**	**112.0**
Current service cost	13.0	–	13.0
Interest expenses and interest income	32.6	28.8	3.8
Administrative cost paid out of plan assets	–	–0.7	0.7
Past service cost	–	–	–
Effects of settlements	–	–	–
Remeasurements			
Gains (–)/losses (+) from plan assets, excluding amounts recognized in interest income	–	18.7	–18.7
Gains (–)/losses (+) from changes in demographic assumptions	–	–	–
Gains (–)/losses (+) from changes in financial assumptions	52.7	–	52.7
Gains (–)/losses (+) from changes in experience-based assumptions	5.1	–	5.1
Impact of asset ceiling	–	8.0	–8.0
Effects of exchange-rate differences	–4.0	–3.9	–0.1
Contributions by			
the employer to the German pension fund	–	7.7	–7.7
the employer to the foreign pension assets	–	–	–
the employer to the CTA	–	0.1	–0.1
Pension plan beneficiaries	6.4	6.4	–
Pension payments	–28.5	–21.8	–6.7
As of December 31	**942.1**	**796.1**	**146.0**

Assumptions

The pension obligations are calculated by taking into account company-specific and country-specific biometric calculation principles and parameters. The calculations are based on actuarial valuations that factor in the following parameters:

Significant actuarial assumptions

	2024		2023	
in %	Germany	USA	Germany	USA
Discount rate	3.46	5.37	3,31	4.70
Salary growth rate	3.00	3.00	3.00	3.00
Pension growth rate				
Basic and additional pension plan [1)]	2.0/1.0	–	2.0/1.0	–
Deferred compensation [1)]	2.5/1.0	–	2.5/1.0	–

[1)] Varies according to the date the employees enter the company or according to the date of conclusion of the various tariff generations.

Due to inflation and the adjustment every three years, an additional adjustment of 19 percent for 2024 and an additional adjustment of 14 percent for 2025 was taken into account for the respective cohort in deviation from the general pension trend in Germany. The measures increased the defined benefit obligation of the pension commitments by EUR 19.1 million (previous year: EUR 60.4 million). The significant reduction in this measure compared to the previous year is mainly due to the increase in the pension trend in the previous year.

In Germany, Siltronic uses the "Richttafeln 2018G" mortality tables published by Heubeck Richttafeln GmbH. In the USA, current mortality tables are taken into account, which are regularly adjusted to the latest mortality expectations (most recently: 2020 scale).

The discount rates and increases in salaries taken into account in the calculation of the pension obligation were derived in accordance with the respective economic framework conditions and according to uniform principles. The discount rate is based on a yield curve which is derived from high-grade fixed-income corporate bonds with matching maturities issued by the respective country concerned. It takes into account the Siltronic-specific, expected future cash flows of the obligations.

Sensitivity analysis

The following sensitivity analysis involves an adjustment of only one assumption with the other assumptions remaining unchanged so that the sensitivity of each individual assumption can be observed in isolation. It follows that possible correlation effects between the individual assumptions are not taken into account.

The following table shows the estimated changes in the present value of pension obligations resulting from changes in the respective actuarial assumptions:

Sensitivity analysis

	As of December 31, 2024		As of December 31, 2023	
	Effect on defined benefit obligation		Effect on defined benefit obligation	
	Defined benefit obligation in EUR millions	Change in %	Defined benefit obligation in EUR millions	Change in %
Present value of pension obligations as of the reporting date	**932.8**		**942.1**	
Present value of all pension obligations if				
the discount rate increases by 0.5%	873.1	–6.4	878.7	–6.7
the discount rate decreases by 0.5%	999.7	7.2	1,013.3	7.6
salaries increase by 0.5%	935.6	0.3	945.4	0.4
salaries decrease by 0.5%	930.2	–0.3	938.9	–0.3
future pension increases are 0.25% higher	954.8	2.4	962.7	2.2
future pension increases are 0.25% lower	911.8	–2.3	919.4	–2.4
life expectancy increases by one year	959.0	2.8	968.8	2.8

Composition of plan assets

In Germany, the plan assets are comprised of insurance policies issued by the Pension Fund. The Pension Fund invests most of the assets in equities, pension funds, bonded loans as well as real estate. The investment strategy follows the investment guideline provided by the executive board of the pension fund.

The assets managed by the respective external trustee, which are invested in the form of a contractual trust arrangement (CTA), are invested exclusively in equities and funds and serve primarily to partially hedge domestic direct commitments, deferred compensation and the pension adjustment of the basic pension. The cash is invested on the capital market in accordance with the investment principles laid down in the trust agreement and the investment guidelines. Investment decisions are not made by the trustee but by an investment committee.

The plan assets of pension funds in the United States are generally invested in equities and funds in accordance with the applicable investment guidelines. The composition of plan assets for the Group is:

Composition of plan assets

	As of December 31, 2024			As of December 31, 2023		
In EUR million	Market price quoted in an active market	No market price quoted in an active market	Total	Market price quoted in an active market	No market price quoted in an active market	Total
Real estate	–	146.4	146.4	–	91.9	91.9
Loans and fixed-income securities	207.7	160.8	368.5	225.1	141.8	366.9
Equities/equity funds/private equity	147.6	136.2	283.8	155.8	134.7	290.5
Cash and cash equivalents	–	12.6	12.6	–	46.8	46.8
Total plan assets	**355.3**	**456.0**	**811.3**	**380.9**	**415.2**	**796.1**
thereof own-used real estate		–	–		–	–

Risks

In addition to the actuarial risks, the risk connected with the defined benefit obligation relates in particular to financial risks connected with plan assets. In Germany, substantial amounts of the defined benefit obligation are covered by plan assets managed by the pension fund. The current and future relationship between the asset allocation in its portfolio and our pension obligations are analyzed and projected as part of an annual asset-liability study to determine the long-term return on plan assets. The long-term yield requirement of the pension fund is calculated as a result. Based on this, the pension fund defines a strategic target portfolio. The yield requirement, the company contribution of the sponsoring companies, and the strategic asset allocation are thus reviewed annually and harmonized.

All capital investments are exposed to market price fluctuation risks. These risks may comprise changes in interest rates, equity prices, or exchange rates.

The plan assets managed by the pension fund are subject to a so-called overlay management that aims to limit losses to a predefined level. Derivatives are partially used for hedging purposes.

Due to the investment of plan assets in equities and funds, the defined benefits plan in the United States and the plan assets of the CTA are not only subject to actuarial risks, but also to market price risks.

Depending on the legal and company statutory provisions, Siltronic is under a duty to reduce any shortfall in the pension plans by providing liquid funds.

Risks arise in particular from the life expectancy of the beneficiaries, the interest rate guarantee risk and also from salary and pension increases. The interest rate guarantee risk is regularly monitored as part of the risk management process. The determination of the long-term interest rate requirement and the ability to meet it is one of the focus areas of the pension fund. Risks from the interest rate guarantee also apply to the ‘Deferred Compensation’.

Financing of the pension plan

In the year 2024, benefits in the amount of EUR 22.8 million (previous year: EUR 20.3 million) were paid into pension plans in Germany, and EUR 7.7 million (previous year: EUR 8.2 million) into pension plans outside of Germany. For the 2025 financial year, the employer's contributions are expected to amount to only EUR 7.8 million. The expected term of pension obligations as of December 31, 2024 was 14.7 years (previous year: 15.4 years) in Germany and 9.5 years (previous year: 12.7 years) in the United States.

The following table shows the pensions benefits that the Group expects to pay from 2025 to 2029:

Projected payment periods for pension benefits

In EUR million	2025	2026	2027	2028	2029
	32.6	35.6	39.1	41.1	42.3

Composition of pension expenses by pension plan

In EUR million	2024	2023
Current service cost due to defined benefit plans	14.6	13.0
Past service cost/effects of settlements/transfers	0.0	0.0
Administrative cost paid out of plan assets	0.2	0.7
Net interest expenses due to defined benefit plans	4.7	3.8
Expenses due to defined contribution plans	1.3	1.3
Other pension expenses	0.1	0.4
Contributions to public pension schemes	21.0	21.5
Total retirement benefits	**41.9**	**40.7**

12 Other provisions

In EUR million	As of December 31, 2024 Total	of which non-current	of which current	As of December 31, 2023 Total	of which non-current	of which current
Personnel	26.1	24.6	1.5	27.1	25.5	1.6
Environmental protection	30.9	28.9	2.0	30.1	28.2	1.9
Other	18.7	12.6	6.1	16.8	12.0	4.8
Total	**75.7**	**66.1**	**9.6**	**74.0**	**65.7**	**8.3**

Provisions for personnel

The provisions for personnel primarily represent obligations for anniversary payments and early retirement. The provisions for early retirement plans will be completely paid out in six years. The outflow takes place on a continuous basis. The Group owns bonds and securities that serve as plan assets for early retirement benefits and have been offset against the obligations resulting from early retirement.

Provision for environmental protection

The provision for environmental protection covers expected burdens due to contamination on the plant site and the neighboring river at Portland, Oregon, United States. In the year 2018, Siltronic agreed with insurance companies on a compensation payment of EUR 44.1 million. In return, the Company has entered into economic obligations in connection with the contaminated river. These obligations were valued at EUR 43.5 million. The provision amounted to EUR 30.9 million as of December 31, 2024. The outflow is expected to occur in 2025 through 2027.

There are additional, probably sufficient insurance covers for all further environmental risks in Portland. As in the previous year, the amount of these additional environmental risks cannot be reliably estimated. The reason for this is the lack of indications from the responsible environmental authorities regarding the amount and timing of possible environmental protection measures. Accordingly, no obligation is recognized in this respect.

The following table shows the development of other provisions for the year 2024:

Development of other provisions

In EUR million	Jan. 1, 2024	Utilization	Reversal	Addition	Transfer to liabilities	Interest and exchange rate	Dec. 31, 2024
Personnel	27.1	–19.1	–	17.5	–0.6	1.2	26.1
Environmental protection	30.1	–1.7	–1.2	1.8	–	1.9	30.9
Other	16.8	–0.3	–3.5	5.4	–	0.3	18.7
Total	**74.0**	**–21.1**	**–4.7**	**24.7**	**–0.6**	**3.4**	**75.7**

13 Trade liabilities, customer prepayments, other financial and non-financial liabilities

	As of December 31, 2024			As of December 31, 2023		
In EUR million	Total	of which non-current	of which current	Total	of which non-current	of which current
Trade liabilities	**280.5**	**–**	**280.5**	**452.5**	**–**	**452.5**
Loan liabilities	**1,379.0**	**1,303.8**	**75.2**	**789.0**	**785.1**	**3.9**
of which > 5 years	*145.5*	*145.5*	–	*291.1*	*291.1*	–
Customer prepayments	**565.9**	**508.6**	**57.3**	**588.8**	**542.5**	**46.3**
of which > 5 years	*89.9*	*89.9*	–	*137.6*	*137.6*	–
Other financial liabilities						
Derivative financial instruments	20.2	0.8	19.4	3.0	–	3.0
Other	47.7	–	47.7	41.6	–	41.6
Total	**67.9**	**0.8**	**67.1**	**44.6**	**–**	**44.6**
of which > 5 years	–	–	–	–	–	–
Other non-financial liabilities						
Other tax liabilities	3.2	–	3.2	2.9	–	2.9
Social security	2.2	–	2.2	2.0	–	2.0
Payroll	2.3	–	2.3	2.0	–	2.0
Profit-sharing and bonuses	23.4	–	23.4	29.5	–	29.5
Other personnel liabilities	9.7	–	9.7	11.5	–	11.5
Government Grants	151.0	136.8	14.2	119.8	113.3	6.5
Other	0.1	–	0.1	0.2	0.1	0.1
Total	**191.9**	**136.8**	**55.1**	**167.9**	**113.4**	**54.5**
of which > 5 years	*48.6*	*48.6*	–	*55.4*	*55.4*	–
Income tax liabilities	**21.1**	**3.0**	**18.1**	**24.3**	**2,6**	**21,7**
of which > 5 years	–	–	–	–	–	–

Loan liabilities

Loans are classified by maturity as follows:

In EUR million			
Loan period	**until**	**Nominal Value**	**thereof variable interest**
3,5 years	2028	121.5	108.0
5 years	2027	147.5	52.5
	2029	422.5	374.5
7 years	2029	424.3	37.5
	2031	25.0	3.0
10 years	2032	245.5	15.0
Total		**1,386.3**	**590.5**

The following interest and principal payments are due for payment over the next few years:

In EUR million	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 – 2032**
Interest	45.1	43.5	40.8	33.0	24.7	5.2	6.4
Repayments	64.7	104.3	251.8	225.8	594.2	25.0	120.5
Total	**109.8**	**147.8**	**292.6**	**258.8**	**618.9**	**30.2**	**126.9**

Due to the variable interest components, the interest expenses are sensitive to future interest rate developments:

In EUR million	**2024 – 2032**
Interest expenses	
variable interest 1 percentage point higher	26.3
variable interest 1 percentage point lower	-26.3

No collateral or similar rights exist for the loans. A portion of the loan liabilities with a carrying amount of EUR 717.3 million (previous year: EUR 508.4 million) is subject to financial covenants. According to the contractual conditions, it must be ensured that a certain ratio of net debt at the end of the financial year to the EBITDA of the past financial year is not exceeded. In the event of a breach, the loans can be called due in principle. The agreed upper limit was not exceeded as of the December 31, 2024 reporting date. Accordingly, the loans were classified as non-current, with the exception of scheduled repayments due in 2025. Measures have been taken to ensure compliance with the financial covenants for the next relevant period up to December 31, 2025, as the covenants might otherwise have been breached.

In addition to the loans drawn, there are unused credit lines of around EUR 180 million, part of which is scheduled to be drawn down in 2025.

Customer prepayments

The customer prepayments are equivalent to the contract liabilities from contracts with customers in accordance with IFRS 15. The amount of EUR 56.2 million (previous year: EUR 44.4 million) reported under contract liabilities at the beginning of the period was recognized as sales in the current year. There were no significant sales from performance obligations fulfilled in previous periods.

The total amount of expected revenues from unfulfilled or partially unfulfilled performance obligations is estimated at over EUR 4.9 billion, of which one-fifth is expected in 2025. The remaining amount is expected to be realized between 2026 and 2030. As permitted by IFRS 15, no information is provided on the remaining performance obligations as of December 31, 2024 that have an expected original term of up to one year.

Other financial liabilities

Other financial liabilities include liabilities to a payment service provider totalling EUR 40.6 million (previous year: EUR 40.9 million), which relate to the assignment of trade payables to a financing partner and for the suppliers have already received payments. This is a working capital management measure, whereby the financing partner provides funds for payments to suppliers via the payment service provider on the due date at Siltronic's instruction. These are reimbursed to the financing partner by Siltronic with a time lag of two months. The due dates of suppliers who are part of the program are between 0 and 60 days. There are no significant differences for suppliers who are not part of the program.

Government grants

For the loans received in the previous year, the public sector granted partial subsidies in the form of subsidized interest rates. The remaining portion of a subsidized loan was paid out in the reporting year. In order to receive the interest subsidies, Siltronic must make agreed expenditures. Siltronic continues to plan to make the necessary expenditures. As IFRS requires the deferral of economic benefits from interest subsidies, expense grants totalling EUR 23.2 million were deferred in the previous year and investment grants totalling EUR 5.6 million. The reversal of the deferral reduced interest expenses by EUR 5.0 million (previous year: EUR 3.6 million) in the reporting year and EUR 0.8 million (previous year: EUR 0.8 million) was recognized in other operating income.

Government grants for investments totalled EUR 32.0 million in the reporting year. These were granted after the necessary expenditure for capacity expansions had already been incurred. In addition, Siltronic was granted a further benefit after the related investment conditions for capacity expansions were met in the previous year. The resulting deferred benefit amounted to EUR 12.2 million. The investment grants are amortized over the useful life of the underlying assets. The amortization period is between eight and twelve years. In the reporting year, income from the reversal in the amount of EUR 1.3 million (previous year: EUR 0.0 million) was recognized.

A receivable has already been recognized for a further government grant for investments in machinery as at the reporting date, as there is reasonable assurance that the associated conditions will be met and the grant will be awarded. This amounts to EUR 2.4 million (previous year: EUR 1.1 million) and will be released to other operating income over the next ten years. In the reporting year, income from the reversal in the amount of EUR 0.2 million (previous year: EUR 0.0 million) was recognized.

Other

Liabilities relating to social security refer in particular to amounts withheld that have not been paid.

The other personnel liabilities include primarily vacation and flex-time credits.

The liability from derivative financial instruments corresponds to the negative fair value of these instruments.

Income tax liabilities include obligations from current income taxes of all domestic and foreign entities.

14 Other financial obligations and contingencies

Other financial obligations

As of December 31, 2024, obligations from purchase commitments amounted to EUR 713.3 million (previous year: EUR 1,018.2 million); the commitments primarily related to property, plant and equipment in connection with the investments in Germany and Singapore.

The Group enters into long-term purchase agreements with minimum commitments. This resulted in minimum purchasing obligations for the following year of around EUR 170.1 million as of December 31, 2024 (December 31, 2023: around EUR 206.4 million). For the subsequent year, there are annual minimum purchase commitments in a similar amount.

Contingent Liabilities

For environmental risks related to the site in Portland, Oregon, USA, further obligations may arise that exceed the existing insurance coverage. As in the previous year, a reliable estimate of these contingent liabilities cannot be made. For further information see Note 12.

Contingent liabilities may arise in the future as a result of leases that are subject to annual indexation (see Note 06).

Other disclosures

15 Earnings per share

	2024	2023
Net result attributable to Siltronic AG shareholders (in EUR million)	63.0	184.4
Average number of outstanding common shares	30,000,000	30,000,000
Number of common shares outstanding at the end of the year	30,000,000	30,000,000
Earnings per common share (in EUR) (average)	2.10	6.15
Dividend payment per common share (in EUR) for the previous year	1.20	3.00

For the financial year 2024, the Executive Board and the Supervisory Board propose to distribute a dividend of EUR 0.20 per share in the year 2025. The approval or rejection of this proposal is the responsibility of the Annual General Meeting of Siltronic AG. Subject to this approval, a total amount of EUR 6 million will be distributed for the total number of 30,000,000 no-par value shares.

16 Financial instruments

The following tables show financial assets and liabilities by measurement categories and classes for the years 2024 and 2023, respectively. Also presented are liabilities from derivatives for which hedge accounting is used, even though they do not belong to any of the measurement categories.

The fair value of financial instruments measured at amortized cost is determined based on discounting, taking into account customary market interest rates that are adequate to the specific risk and correspond to the relevant maturity. The carrying amounts of current items recognized in the statement of financial position approximate fair value. The categories in accordance with IFRS 9 differ between assets and liabilities measured at amortized costs and those measured at fair value through other comprehensive income or fair value through profit or loss as shown in the table below. These categories are sufficient to reflect the classes in accordance with IFRS 7 which distinguish at least between financial instruments measured at amortized cost and financial instruments measured at fair value. Those financial instruments which show specific risks are derivative financial instruments mainly pertaining to foreign currency derivatives, which are presented separately in the table below.

Financial assets and liabilities by measurement categories according to IFRS 9

		Measurement according to IFRS 9				
In EUR million	**Carrying amount as of Dec. 31, 2024**	**Amortized cost (AC)**	**Fair value through other comprehensive income (FVOCI)**	**Fair value through profit and loss (FVTPL)**	Fair value through other comprehensive income (hedge accounting)	**Fair Value as of Dec. 31, 2024**
Securities	237.8	235.1		2.7		237.8
Trade receivables	142.9	137.4	5.5			142.9
Fixed-term deposits	131.4	131.4				131.4
Other financial assets	12.9	6.5		6.5	–	12.9
Other		6.5				
Derivatives for which hedge accounting is not used (FVTPL)				6.5		
Derivatives for which hedge accounting is used (hedge accounting according to IAS 39)					–	
Cash and cash equivalents	297.1					297.1
Total financial assets	**822.1**					**822.1**
Loan liabilities	1,379.0	1,379.0				1,372.6
Trade liabilities	280.5	280.5				280.5
Other financial liabilities	67.9	47.7		11.0	9.2	67.9
Other		47.7				
Derivatives for which hedge accounting is not used (FVTPL)				11.0		
Derivatives for which hedge accounting is used (Hedge accounting according to IAS 39)					9.2	
Total financial liabilities	**1,727.4**					**1,721.0**

In EUR million	Carrying amount as of Dec. 31, 2023	Measurement according to IFRS 9			Fair value through other comprehensive income (hedge accounting)	Fair Value as of Dec. 31, 2023
		Amortized cost (AC)	Fair value through other comprehensive income (FVOCI)	Fair value through profit and loss (FVTPL)		
Securities	21.3	19.1		2.2		21.3
Trade receivables	162.4	141.9	20.5			162.4
Fixed-term deposits	51.6	51.6				51.5
Other financial assets	19.5	6.5		5.3	7.6	19.5
Other		6.5				
Derivatives for which hedge accounting is not used (FVTPL)				5.3		
Derivatives for which hedge accounting is used (Hedge accounting according to IAS 39)					7.6	
Cash and cash equivalents	386.2					386.2
Total financial assets	**641.0**					**640.9**
Loan liabilities	789.0	789.0				772.0
Trade liabilities	452.5	452.5				452.5
Other financial liabilities	44.6	41.6		2.8	0.2	44.6
Other		41.6				
Derivatives for which hedge accounting is not used (FVTPL)				2.8		
Derivatives for which hedge accounting is used (Hedge accounting according to IAS 39)					0.2	
Total financial liabilities	**1,286.1**					**1,269.1**

Since the end of the previous financial year, the Group has been participating in a receivables sale program with some of its receivables, under which certain trade receivables can be sold to a financial services provider. With this measure, Siltronic is pursuing the goal of active working capital management on the one hand and liquidity management on the other. As essentially all opportunities and risks associated with ownership of the financial asset are transferred to the financial services provider, this is factoring with derecognition in the statement of financial position. For the non-transferred receivables in a portfolio, which would in principle be transferable, the intention is to hold them until final payment and to collect the contractual cash flows. The business model for these receivables is therefore assigned to the "hold and sell" category and is recognized at fair value through other comprehensive income. In the financial year, a volume of receivables totalling EUR 91.5 million (previous year: EUR 0.1 million) was sold in this way. The fair value of the receivables sold is approximately equal to the carrying amount of the receivables before the transfer due to their short term.

Cash and cash equivalents in foreign currency are measured at the exchange rate on the reporting date.

The fixed-term deposits will mature in October 2025. The fair value for these financial instruments also approximates their carrying amount.

The carrying amounts of trade liabilities and current other liabilities are equal to their fair values.

The following table shows the net gains and losses from financial instruments by measurement categories according to IFRS 9. The impacts on earnings due to derivatives that qualify for cashflow hedge accounting are not shown in the table because they do not belong to any of the IFRS 9 measurement categories.

Net result by measurement category

In EUR million	**2024**	2023
Assets/liabilities classified as at fair value through profit or loss	2.3	–1.2
Financial assets recognized at amortized cost	26.5	13.5
Financial liabilities recognized at amortized cost	–40.1	–6.6
Total	**–11.3**	**5.7**

The net result from financial assets measured at amortized cost primarily includes net gains/losses from currency translation, interest income from securities, fixed-term deposits and bank balances as well as value adjustments.

Gains and losses from changes in the fair value of foreign exchange derivatives and commodity futures not qualifying for hedge accounting under IAS 39 and of securities are included in the category “Fair value through profit or loss” category. Dividend income and interest income/expenses from interest-bearing securities are also reported in the net result of this category. Dividend income is not recognized until there is a legal claim to payment.

The net gains in the category "Financial liabilities recognized at amortized cost" primarily include effects resulting from valuations with different foreign exchange rates.

The interest income from financial assets which are not recognized at fair value through profit or loss amounts to EUR 13.9 million in 2024 (previous year: EUR 22.5 million). This interest income relates to cash and cash equivalents and fixed-term deposits and from securities.

The application of the effective interest method to financial assets measured at amortized cost resulted in interest income of EUR 4.7 million (previous year: EUR 5.5 million).

The interest expenses from financial liabilities which are not recognized at fair value through profit or loss were EUR 28.8 million in 2024 (previous year: EUR 17.1 million).

The financial assets and liabilities measured at fair value in the statement of financial position were allocated to one of three categories in accordance with the fair value hierarchy described in IFRS 13.

The levels of the hierarchy are as follows:

Level I: Financial instruments measured using quoted prices in active markets (markets showing appropriate liquidity) which are representative to the financial instrument being measured.

Level II: Financial instruments measured using valuation methods based on observable market data, the fair value of which can be determined by reference to similar financial instruments traded in active markets or using valuation methods where all parameters are observable. These include hedging and non-hedging derivative financial instruments and loans.

Level III: Financial instruments measured using valuation methods not based on observable parameters, the fair value of which cannot be determined using observable market data and which require application of different valuation methods (typically applied for over-the-counter derivatives and unquoted equity instruments).

The following tables show the categories in the fair value hierarchy to which the financial assets and liabilities measured at fair value in the statement of financial position are allocated:

Fair value hierarchy

	As of December 31, 2024			
In EUR million	Level I	Level II	Level III	Total
Financial assets, measured at fair value				
Fair value through profit or loss				
Derivatives for which hedge accounting is not used	–	6.5	–	6.5
Securities	2.7	–	–	2.7
Fair value through other comprehensive income				–
Trade receivables	–	5.5	–	5.5
Derivatives for which hedge accounting is used	–	–	–	–
Total	**2.7**	**12.0**	**–**	**14.7**
Financial liabilities, measured at fair value				
Fair value through profit or loss				
Derivatives for which hedge accounting is not used	–	11.0	–	11.0
Fair value through other comprehensive income	–		–	
Derivatives for which hedge accounting is used	–	9.2	–	**9.2**
Total	**–**	**20.2**	**–**	**20.2**

In EUR million	As of December 31, 2023			
	Level I	Level II	Level III	Total
Financial assets, measured at fair value				
Fair value through profit or loss				
Derivatives for which hedge accounting is not used	–	5.3	–	5.3
Securities	2.2	–	–	2.2
Fair value through other comprehensive income				
Trade receivables	–	20.5	–	20.5
Derivatives for which hedge accounting is used	–	7.6	–	7.6
Total	**2.2**	**33.4**	**–**	**35.6**
Financial liabilities, measured at fair value				
Fair value through profit or loss				
Derivatives for which hedge accounting is not used	–	2.8	–	2.8
Fair value through other comprehensive income				
Derivatives for which hedge accounting is used	–	0.2	–	0.2
Total	**–**	**3.0**	**–**	**3.0**

Market values are calculated using information available on the reporting date and based on counterparties' quoted prices or via appropriate valuation methods (currency forward exchange contracts and currency foreign exchange swaps: discounted cash flow or well-established actuarial methodologies, such as the par method; currency option contracts: Black Scholes model).

For all securities of the Company, quoted prices are available on an active market at the end of the financial year. For this reason, all securities are assigned to hierarchy Level I.

Derivative financial instruments are recognized at fair value and are thus subject to a recurring fair value assessment. They are categorized as Level II fair values. The fair value of a derivative financial instrument is calculated based on market data such as exchange rates or yield curves in accordance with market-specific valuation methods. The calculation of the fair value reflects our and the counterparty's default risk, using maturity-matched and market-observable CDS values.

Disclosures on derivative financial instruments

In cases where the Group hedges against foreign currency risks, it uses derivative financial instruments which comprise currency forward exchange contracts, currency option contracts, and currency foreign exchange swaps. Derivatives are used only if they are offset by scheduled transactions arising from operations (underlying transactions). The derivatives relate to three areas which are called "strategic hedging", "operational hedging" and "hedging of specific intra-group matters".

Strategic hedging comprises expected sales transactions in foreign currency that have not yet been invoiced. The time horizon for strategic hedging is between three and a maximum of 14 months. The hedged cash flows influence the statement of profit or loss at the time when sales are realized. The cash inflows are usually recorded one to two months afterwards. In strategic hedging, currency forward exchange contracts are primarily used.

Operational hedging relates to recognized trade receivables and trade liabilities and generally covers time horizons of between one and two months. Hedges are executed with currency forward exchange contracts. Hedging of specific intra-group transactions, especially intra-group loans, are usually covered by currency swap contracts. Foreign exchange hedging is carried out mainly for the US dollar, Japanese yen and Singapore dollar.

The market values refer to the repurchase values (redemption values) of the financial derivatives and are calculated using recognized actuarial methods.

The derivatives are recognized at their market values, irrespective of their stated purpose. They are reported in the statement of financial position under other assets or other liabilities. Where eligible, cash flow hedge accounting is applied for the strategic hedging of currency exchange risks of future foreign exchange cash flows from currency forward exchange contracts. In such cases, changes in the market values of foreign exchange contracts are recognized in other comprehensive income until the underlying transaction takes place, insofar as the hedge is effective. When future transactions are realized, the effects accumulated in other equity items are restated through profit and loss to the operating result (other operating income/other operating expenses). As part of the strategic hedging using currency options, cash flow hedge accounting has been applied to the intrinsic value of the options, provided they are combination options and the requirements for hedge accounting are met. Accordingly, changes in the intrinsic value are recognized directly in equity and changes in the fair value are recognized in profit or loss.

The reconciliation of the cumulative effects recognized in other comprehensive income (before tax) for the 2024 and 2023 financial years are as follows:

In EUR million	2024	2023
Accumulated effects from derivative financial instruments (cash flow hedge) before taxes as of January 1	**11.2**	**20.2**
Changes in market values	-17.4	11.0
thereof currency risk	*-17.0*	*11.0*
thereof interest rate risk	*-0.4*	*0.0*
Reclassification to the profit and loss statement	0.1	-20.0
thereof currency risk	*0.9*	*-19.4*
thereof interest rate risk	*-0.8*	*-0.6*
Accumulated effects from derivative financial instruments (cash flow hedge) before taxes as of December 31	**-6.1**	**11.2**

The reclassification of the effects of exchange rate risk in the income statement is recognized in other operating income or expenses, while the effects of interest rate risk are shown in the financial result.

For strategic hedging, graded hedging ratios of around 10 percent to 40 percent are used in relation to the expected net exposure in US dollars (taking into account currencies that show a high correlation to the US dollar, if applicable). The expected net exposure in US dollars for 2025 is hedged at around 37 percent.

Siltronic determines the effectiveness of the hedging relationship between the hedged item and the hedging instrument based on maturities, currencies and nominal values, whereby the hedging ratio between the hedging instrument and the hedged item in hedge accounting is generally 100 percent. The Company assesses whether the designated derivatives effectively hedge the cash flows of the hedged item using the hypothetical derivative method. The credit risk of the counterparties as well as changes in the timing of the hedged highly probable future transactions represent possible sources of ineffectiveness. No ineffectiveness was reported in the result for the period, as the hedging relationships were almost completely effective and the changes in value of the hedging instruments were therefore approximately opposite to those of the underlying transactions.

To hedge against rising interest rates, Siltronic has been partially hedging variable-rate loans since 2024 with the help of interest rate swaps (payer swaps). These are part of a cash flow hedge accounting. In addition, commodity futures were entered into to hedge the price change risk of an oil price component in electricity supply contracts for the years 2025 and 2026. These hedging transactions were not recognized as hedge accounting together with the underlying transactions.

Nominal values and market values

The following tables compare the fair values of derivative financial instruments with their nominal values:

	As of December 31, 2024		As of December 31, 2023	
In EUR million	Nominal values	Market values	Nominal values	Market values
Other financial assets	**248.5**	**6.5**	**468.3**	**13.0**
Foreign currency derivatives	57.1	0.2	444.3	12.4
thereof for strategic hedging (with hedge accounting)	*2.8*	–	*295.6*	*7.6*
Foreign currency swaps	141.4	6.3	19.3	0.3
Interest swaps	50.0	–		
Other derivatives	–	–	4.7	0.3
Other financial liabilities	**766.7**	**20.3**	**227.1**	**3.1**
Foreign currency derivatives	398.3	12.1	108.6	0.7
thereof for strategic hedging (with hedge accounting)	*256.7*	*8.7*	*34.8*	*0.2*
Foreign currency options	–	–	–	–
thereof for strategic hedging (with hedge accounting)	–	–	–	–
Foreign currency swaps	244.4	5.9	109.8	1.9
Interest swaps	90.0	0.5		
Other derivatives	34.0	1.8	8.7	0.5

The following table shows the breakdown of the nominal values of the currency forward exchange contracts for strategic hedging by maturity as well as the average hedging rate per currency:

	As of December 31, 2024		As of December 31, 2023	
In EUR million	current (less than 1 year)	non-current (more than 1 year)	current (less than 1 year)	non-current (more than 1 year)
Nominal values currency forward exchange contracts	244.8	14.7	487.7	75.1
Average hedging rate				
EUR/JPY	–	–	137	140
EUR/USD	1.10	1.09	1.05	1.02
USD/SGD	1.31	–	1.38	–
EUR/SGD	1.43	–	1.45	–

Apart from the currency forward exchange contracts for strategic hedging, all derivative financial instruments in the financial year and the previous year have a term of less than one year. The interest rate swaps used to hedge the variable-rate portions of loans have the same maturities as the loans, until 2027 and 2028. The average hedged interest rate is 2.4 percent.

The following table provides information on the netting of financial assets and liabilities in the consolidated statement of financial position. It also shows the financial effects of a possible offsetting of financial instruments from netting agreements, enforceable global netting agreements, or similar agreements.

Net amount

In EUR million	As of December 31, 2024 I Gross amounts of recognized financial assets/ liabilities	II Gross amounts of recognized financial assets/ liabilities set off in the statement of financial position	I – II Net amounts of financial assets/ liabilities presented in the statement of financial position	Related amounts not set off in the statement of financial position Financial instruments	Cash collateral received	Net amount
Derivatives with a positive market value	7.0	0.4	6.6	3.5	–	3.1
Derivatives with a negative market value	20.6	0.4	20.2	3.5	–	16.7

In EUR million	As of December 31, 2023 I Gross amounts of recognized financial assets/ liabilities	II Gross amounts of recognized financial assets/ liabilities set off in the statement of financial position	I - II Net amounts of financial assets/ liabilities presented in the statement of financial position	Related amounts not set off in the statement of financial position Financial instruments	Cash collateral received	Net amount
Derivatives with a positive market value	13.6	0.6	13.0	1.5	–	11.5
Derivatives with a negative market value	3.7	0.6	3.1	1.5	–	1.6

In addition to the amounts offset under the provisions on netting pursuant to IAS 32, the table also includes those amounts that may not be netted pursuant to IAS 32.

As part of strategic hedging of foreign currency cash flows, the Group closes out forward exchange contracts prior to maturity by entering into offsetting transactions. The strategic forward exchange contract and the corresponding offsetting forward exchange transaction are recognized as a net amount in accordance with IAS 32. In addition, general offsetting agreements, which apply only in cases of insolvency, have been concluded with number of banks.

The Group has not received any pledged cash security for positive market values of derivatives nor has it pledged any cash security for negative market values.

Management of financial risks

The following disclosures explain the management of the financial risks of the Group. Other parts of these notes include more quantitative information on financial assets and financial liabilities or contingencies.

In the normal course of business, the Group is exposed to credit, liquidity, and market risks from financial instruments. The goal of financial risk management is to limit risks from operating business and the resultant financing requirements by using certain derivative and non-derivative hedging instruments. In addition, the Group is exposed to a minor extent to market and interest rate risks from securities.

In terms of assets, liabilities and planned transactions, the Group faces risks resulting from the fluctuation of foreign exchange rates.

Generally, only those risks which have an impact on the cash flow of the Group are hedged. To mitigate default risks, hedging instruments are only entered into with counterparties with a good credit rating.

The basic rules of financial management are determined by the Executive Board and monitored by the Supervisory Board of the Group. The Executive Board has the overall responsibility for the implementation and monitoring of the risk management of the Group. Part of this system is the management of financial risks. Among other things, the system for managing financial risks has a guideline defining the usage and the extent of derivative financial instruments and committees supervising the application of the guideline, evaluating the efficiency of the derivative financial instruments entered into and defining additional risk limits as necessary.

The Group mitigates financial risks through the risk management system it has in place. This system is monitored by the Supervisory Board. The fundamental purpose of the risk management system is to identify, analyze, coordinate, monitor, and communicate risks in a timely manner. The Executive Board of the Group receives regular analyses on the extent of those risks. The analyses focus on market risks, in particular on the potential impact of raw material price risks, foreign currency exchange risks, and interest rate risks on net interest income.

Foreign currency risks

Foreign currency risks generally result from investments, financing measures, and operating business. The Group hedges foreign currency risks to the extend it can influence the cash flow of the Group. Foreign currencies which do not influence the cash flow of the Group result from the translation of assets and liabilities of foreign subsidiaries into euros. Such risks are not hedged because they refer to long-term financial investments.

Since it is very common in the semiconductor industry to transact in US dollars and the proceeds for Group's cash inflows from the sale of products (operating business) significantly exceed the cash outflows in US dollars (operating business and investments), the Group is exposed to a US dollar foreign exchange risk. The Group also faces foreign currency exchange risks related to the Japanese yen and the Singapore dollar. As the Singapore dollar has a high correlation to the US-Dollar, the risks for these currencies are considered together.

The net foreign exchange exposure, i.e. the amount in the same foreign currencies (or currencies grouped together because of high correlations) remaining after eliminating cash inflows and cash outflows, is hedged according to the Group policy.

To record market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on profit or loss and on equity. The periodical changes are calculated by applying the hypothetical changes in risk variables on all existing financial instruments as of the reporting date. The sensitivity analyses regarding foreign currencies are based on the following assumptions:

The existing primary monetary financial instruments (cash and cash equivalents, fixed-term deposits, receivables, securities, interest bearing, and non-interest bearing liabilities) as of the reporting date represent a normal level. Approximately 80 percent of consolidated Group sales are invoiced in US dollars. Payouts in foreign currency remain at the current level, which is dependent on the production level. Thus, the Group is only exposed to foreign currency exchange risks coming from unhedged trade receivables and the change in fair value of existing derivative financial instruments.

If the US dollar had appreciated by 10 percent against the euro (taking into account currencies with a high correlation to the US dollar) as of 31 December 2024, the fair value of the hedging instruments would have decreased by around EUR 12.2 million. EUR 6.0 million of the change would have been recognized in profit or loss (income) and EUR -18.2 million would have been recognized directly in equity. If the US dollar had depreciated by 10 percent against the euro, the fair value would have increased by EUR 10.0 million. Of this, EUR 15.0 million would have been recognized directly in equity and EUR -5.0 million in profit or loss (expenses). The corresponding fair values as at 31 December 2023 would have decreased by EUR 20.9 million and increased by EUR 17.2 million respectively. EUR 3.0 million of the decrease would have been recognized in profit or loss and EUR -23.9 million in other comprehensive income, while EUR 19.6 million of the increase would have been recognized in other comprehensive income and EUR -2.5 million in profit or loss.

Without taking currency hedging transactions into account, a deviation of 1 USD cent in the EUR/USD exchange rate compared to the planned exchange rate results in a change in sales of around +/- EUR 10 million and a change in EBITDA of around +/- EUR 8 million in the financial year.

Interest rate risk

As of the reporting date, the Group is exposed to interest rate risks from its operating activities arising from floating-rate loan liabilities. For some variable-rate loans, the interest rate was fixed by concluding corresponding hedging transactions. Hedge accounting was applied. Changes in the market interest rates of interest derivatives affect the financial result and are therefore taken into account in an earnings-related sensitivity analysis. If the market interest rate increases or decreases by 100 basis points, the interest result changes by -/+ EUR 4.5 million. The change in the market values of the interest derivatives would be recognized directly in equity at +/- EUR 2.2 million. The Group is exposed to a low interest rate risk from fixed-income securities that are measured at amortized cost. Furthermore, the derivatives denominated in foreign currencies are not subject to any significant changes in interest rates and therefore no interest rate risk arises.

Other price risks

The appreciation or depreciation of Brent by +/- 10 percent would have had a positive or negative effect on earnings of around EUR 3.0 million in each case for the commodity futures held as at the reporting date. The fair values as at 31 December 2024 would have increased or decreased accordingly. As at 31 December 2023, an appreciation or depreciation of Brent by +/- 10 percent would have resulted in an effect on earnings or a change in market value of EUR 1.2 million.

Credit risk (risk of default)

In terms of financial instruments, the Group is exposed to a default risk should a contractual party fail to fulfill its commitments. The maximum risk is therefore the amount of the respective financial instrument's positive fair value. To limit the risk of default, transactions are conducted only within defined limits and with partners of very high credit standing. To make efficient risk management possible, the market risks within the Group are controlled centrally. The conclusion and handling of transactions comply with internal guidelines and are subject to monitoring procedures that take account of the separation of duties. As for operations, outstanding receivables and default risks are continually monitored and partly hedged against by means of trade credit insurance. Receivables from major customers are not high enough as to represent an extraordinary concentration of risk. For further information on the default risk of financial assets and contract assets, see Notes 08 and 09. Over the last three years, the expenses for default have averaged at less than 0.1 percent of sales.

Liquidity risk

A liquidity risk means that a company may not be able to meet its existing or future financial obligations because of insufficient funds. The Group ensures continuous liquidity and financial flexibility by holding enough funds as cash and cash equivalents.

Liquidity risk is addressed by financial planning. During the year, rolling monthly liquidity planning is carried out for the Group and the main individual companies, covering the period up to the end of the year. In addition to the outlook, we compare the actual cash flows with the projected cash flows in order to mitigate weaknesses in the forecast. There is also a multi-year plan which shows at an early stage when and to what extent liquidity risks are to be expected.

Market risk

Market risk describes the risk that the fair value or future cash flows of an original or a derivative financial asset will change due to the volatility of the market. The securities of the special fund were, also subject to this risk, until it was sold.

Fixed-term deposits

Fixed-term deposits are investments held at banks. They have a term until October 2025.

17 Additional information on the Consolidated statement of cash flows

Liabilities from financing activities include loan and lease liabilities. Due to borrowing, interest and lease payments, they influence the cash flow from financing activities and the cash flow from operating activities.

The carrying amounts of current and non-current loan liabilities totalling EUR 1,379.0 million (previous year: EUR 789.0 million) and current and non-current lease liabilities of EUR 144.3 million (previous year: EUR 115.6 million) increased by EUR 618.7 million compared to the previous year. This change was cash-effective and had an impact of EUR 557.8 million and a non-cash-effective impact of EUR 61.0 million (previous year: EUR 125.1 million cash-effective and EUR 8.9 million non-cash-effective). The change in non-cash of EUR 61.0 million is made up of new leases totalling EUR 31.6 million (previous year: EUR 15.9 million), currency effects of EUR 13.4 million (previous year: EUR -3.9 million) and other changes of EUR 15.9 million (previous year: EUR -3.3 million), whereby the interest liabilities make up the largest portion of this.

18 Segment reporting

The Group has only one reportable segment, which includes the development, production, and marketing of semiconductor wafers with a wide variety of features satisfying numerous product specifications to meet customers' precise technical specifications, which are utilized in the manufacture of semiconductor devices. Based on the fact that in the wafer industry the allocation of resources is derived from a wide variety of specifications, the Group operates in only one segment. The products can differ between diameters, between polished and epitaxial wafer, between different pulling technologies and other features.

The information by geographical area for the reporting periods breaks down as follows:

Segment information by region

	2024							
In EUR million	Germany	Europe excluding Germany	United States	Taiwan and (mainland) China	South Korea	Asia excluding Taiwan, (mainland) China and South Korea	Consolidation and others	Siltronic Group
External sales from contracts with customers by customer location	94.1	128.9	133.3	493.6	354.0	176.9	32.1	1,412.9
Additions to property, plant and equipment, and intangible assets	213.0	–	7.3	–	–	303.1	–	523.4
Non-current assets (December 31)	1,003.4	–	43.2	–	–	2,644.9	19.5	3,711.0

	2023							
In EUR million	Germany	Europe excluding Germany	United States	Taiwan and (mainland) China	South Korea	Asia excluding Taiwan, (mainland) China and South Korea	Consolidation and others	Siltronic Group
External sales from contracts with customers by customer location	124.6	147.7	122.0	566.9	318.9	217.2	16.5	1,513.8
Additions to property, plant and equipment, and intangible assets	278.2	–	9.6	–	–	1,028.2	–	1,316.0
Non-current assets (December 31)	918.7	–	40.1	–	–	2,362.6	19.6	3,341.0

In all regions, the majority of sales are invoiced in U.S. dollars.

The carrying amount of intangible assets and property, plant and equipment in the Asia region excluding Taiwan relates almost exclusively to Singapore.

In the financial year 2024, the Group generated sales with three customers that accounted for a share of more than 10 percent. One customer accounted for around one quarter of all sales, the second largest customer for 19 percent and the third largest for 14 percent. In the previous year, the breakdown was quite similar.

19 Transactions with related companies and persons

The disclosure requirements according to IAS 24 refer to transactions (a) with its minority shareholder Wacker Chemie AG and the ultimate controlling shareholder of Wacker Chemie AG, which is Dr. Alexander Wacker Familiengesellschaft mbH (holding more than 50 percent of the voting shares in Wacker Chemie AG), (b) with Pensionskasse der Wacker Chemie VVaG (pension fund), and (c) with members of the Executive Board and Supervisory Board of the Company.

Related companies

The following amounts recognized in the statement of profit or loss result mainly from transactions with Wacker Chemie AG:

Information on transactions with related companies

In EUR million	2024	2023
Sales	0.9	0.9
Purchased material and services (primarily cost of sales)	169.8	209.9
Lease expenses (several functional costs)	0.2	0.1

Sales in the year under review include other services totalling EUR 0.9 million (previous year: EUR 0.9 million) for Wacker Chemie AG.

The cost of sales primarily relates to the purchase of a raw material from Wacker Chemie AG and the purchase of services from Wacker Chemie AG. Wacker provides the services to Siltronic in Burghausen (Germany), where Siltronic and Wacker operate production facilities side by side on a large industrial site.

The following table shows other assets, right-of-use assets and liabilities to related parties recorded in the statement of financial position for the years ending December 31, 2024 and 2023. All transactions relate to Wacker Chemie AG or the pension fund of Wacker Chemie VVaG:

Right-of-use assets, other assets and liabilities to related parties

In EUR million	Dec. 31, 2024	Dec. 31, 2023
Right-of-use assets	1.1	1.1
Other assets	15.2	19.1
Lease liabilities	1.5	1.3
Trade liabilities	18.7	22.7

In addition, long-term purchase agreements exist with Wacker Chemie AG, resulting in other financial obligations of EUR 156.1 million (previous year: EUR 126.6 million).

The following table shows the remuneration of members of the Executive Board and Supervisory Board:

Remuneration of corporate bodies

In EUR		Fixed remune-ration	Variable remune-ration	Share-based payments	Pensions	Total
Remuneration for Executive Board members	2024	1,529,648	692,454	–467,937	380,271	**2,134,436**
	2023	2,212,683	905,055	1,919,326	427,765	**5,464,829**
Provision for longterm remuneration of Executive Board members	2024			1,943,907		**1,943,907**
	2023			3,443,669		**3,443,669**
Provisions for pensions for active Executive Board members	2024				1,471,540	**1,471,540**
	2023				1,025,882	**1,025,882**
Remuneration for former Executive Board members and their surviving dependents	2024				1,293,975	**1,293,975**
	2023				393,530	**393,530**
Provisions for pensions for former Executive Board members and their surviving dependents	2024				14,037,355	**14,037,355**
	2023				14,628,872	**14,628,872**
Supervisory Board remuneration	2024	995,000				**995,000**
	2023	1,022,500				**1,022,500**

The total remuneration of the members of the Executive Board for the financial year 2024, which is to be disclosed in accordance with Section 314 para. 1 no. 6 of the German Commercial Code and valued in accordance with DRS 17, amounts to a total of EUR 3.2 million (previous year: EUR 4.1 million). The fair value of the share-based payment granted in the financial year 2024 was EUR 1.0 million (previous year: EUR 1.0 million). Provisionally 12,439 virtual shares were allocated (previous year: 15,850).

Remuneration for pensions shows the service costs.

20 Share-based compensation agreement

As in previous years, the compensation system for the members of the Executive Board includes cash compensation in the form of phantom stocks as long-term variable compensation. Detailed information on the share-based compensation agreement can be found in the Compensation report.

For the compensation year 2024, the contractual allotment value was initially converted into phantom stocks granted on the basis of the average weighted closing price of the share on the last 30 stock market trading days of 2023. The phantom stocks are held for a period of four years (performance period), starting January 1, 2024. The basis for calculating the final number of phantom stocks is the achievement of the targets set by the Supervisory Board for each performance period. A target value, a minimum value and a maximum value are determined for these targets. The phantom stocks are settled in cash. To determine the amount of the cash settlement, the final number of phantom stocks is initially calculated by multiplying the preliminary number of phantom stocks by the total target achievement factor. The cash settlement is calculated by multiplying the final number of phantom stocks with the weighted average closing price of the Company's shares on the last 30 trading days of the year 2027 plus the dividends distributed during the financial years 2024 to 2027. The cash settlement is limited to a limit of 200 percent of the contractual allotment value (cap). Due to the term of the remuneration, parallel tranches for the years 2021 to 2024 are presented as at the reporting date. In the 2024 financial year, the 2020 tranche was paid out in the amount of EUR 1.0 million, for which a corresponding provision was recognized as a liability in the previous year.

After completion of the first, second and third of four years of the performance periods, the preliminary figure for the reporting year based on the target development to date is 37,990 phantom stocks. The average price of the Siltronic share in the financial year, which is decisive for the number of phantom stocks, was EUR 48.21 (previous year: EUR 85.64). The closing price for the calculation of the fair value of the virtual shares of the 2022 to 2024 tranches was EUR 46.50. For the 2021 tranche, which will be paid out in 2025, the relevant average price on the reporting date was EUR 48,21. The possibility of reaching the contractually agreed cap is taken into account using a Black-Scholes calculation and the fair value is reduced accordingly. In total, there is a provision for phantom stocks for the financial years 2021 to 2024 of EUR 1.9 million (previous year: EUR 3.5 million). In personnel expenses, income of EUR 1.1 million was recorded from the reversal of the provision for virtual shares for the years 2021 to 2023, and expenses of EUR 0.6 million (previous year: expenses of EUR 1.9 million) were recorded for the allocation of the provision for virtual shares for the year 2024.

21 Other information

The following table shows the average number of employees for the year.

Average number of employees

	2024	2023
Germany	2,606	2,702
Singapore and small sales companies in Asia	1,459	1,403
United States	361	383
Total	**4,426**	**4,488**

The auditor's fees are divided into audits of financial statements, other certification services and non-audit services.

Audit fees

In EUR million	2024	2023
Audit of financial statements	0.7	0.6
Other certification services	0.4	0.2
Tax consulting and other services	0.0	0.0
Total	**1.1**	**0.8**

Non-controlling Interests

A minority shareholder has a non-controlling interest of 22.3 percent in Siltronic Silicon Wafer Pte. Ltd. Apart from Siltronic Silicon Wafer Pte. Ltd., there are no minority shareholders in the Siltronic Group.

The following summarized financial information is presented in accordance with IFRS and before consolidation. As at 31 December 2024, non-current assets amounted to EUR 2,691.1 million, current assets to EUR 223.2 million, equity to EUR 920.3 million, non-current liabilities to EUR 1,703.0 million and current liabilities to EUR 291.0 million.

In 2024, SSW generated sales of EUR 428.3 million, resulting in a net profit for the year of EUR 18.7 million and comprehensive income of EUR 44.6 million. Cash flow totalled to EUR 1.1 million due to high inflows from corporate loans, which exceeded the outflows for investments in property, plant and equipment. Neither the minority shareholder nor Siltronic receive a dividend.

The list of shareholdings in affiliated companies as of December 31, 2024 is as follows (IFRS amounts):

List of shareholdings

	2024		
	Share capital in EUR million	Net income in EUR million	Equity share in %
Siltronic Holding International B.V., Rotterdam, Netherlands [1]	400.8	–	100.0
Siltronic Singapore Pte. Ltd., Singapore [2]	599.5	65.4	100.0
Siltronic Silicon Wafer Pte. Ltd., Singapore [2]	920.3	18.7	77.7
Siltronic Corp., Portland (Oregon), USA [2]	164.4	13.6	100.0
Siltronic Japan Corp., Tokyo, Japan [2]	7.0	1.2	100.0
Siltronic Korea Ltd., Seoul, South Korea [1]	3.4	0.6	100.0
Siltronic Shanghai Co., Ltd., Shanghai, China [1]	2.0	0.3	100.0

[1] Held directly by Siltronic AG
[2] Held indirectly by Siltronic AG

Subsequent events

There were no significant events after the reporting date of December 31, 2024.

Munich, March 5, 2025
The Executive Board of Siltronic AG

Dr. Michael Heckmeier (CEO)	Claudia Schmitt (CFO)	Klaus Buchwald (COO)

Independent Auditor's Report

To Siltronic AG, Munich

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions
We have audited the consolidated financial statements of Siltronic AG, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of profit and loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of Siltronic AG for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the Appendix to the Independent Auditor's Report.

The combined management report contains cross-references that are not provided for by law. In accordance with German legal requirements, we have not audited the content of the cross-references specified in the appendix to the independent auditor's report or the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the Appendix to the Independent Auditor's Report. The combined management report contains cross-references that are not provided for by law. Our opinion does not extend to the cross-references specified in the Appendix to the Independent Auditor's Report or the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions
We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment of property, plant and equipment in the 300 mm segment

For information on the accounting methods used to report property, plant and equipment, please refer to the explanation in the section "Property, plant and equipment" under "Accounting policies" as well as the comments on individual items of the statement of financial position under "Development of property, plant and equipment" in the notes to the consolidated financial statements.

The Financial Statement Risk
In financial year 2021, the Group decided to set up a second 300 mm factory at the Singapore location and expand its German location in Freiberg. Accordingly, capital expenditure on property, plant and equipment was mainly attributable to expanding the capacity of 300 mm wafer production. The investment in Freiberg was partially completed in 2024 while, since the beginning of 2024, production at the new factory in Singapore is being gradually put into operation over several years. Capital expenditure on property, plant and equipment totaled EUR 510.4 million in the reporting year and was significant for the Group's asset situation.

If there is objective evidence of impairment of property, plant and equipment, the Company determines the recoverable amount as of the reporting date and compares this amount with the respective carrying amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is calculated using the discounted cash flow method. The calculation of the recoverable amount is carried out regularly on the level of cash-generating units.

Impairment testing of property, plant and equipment is complex and based on a range of assumptions that require judgment. These include in particular the forecast cash flows, the useful life of the leading asset and the discount rates that were used.

Due to the substantial investment volume, the carrying amount of property, plant and equipment in the 300 mm division increased materially. The division is subject to cyclical business. In light of the capacity expansion, there is the risk for the consolidated financial statements that property, plant and equipment in the 300 mm division will be impaired, should it not be possible to fully use the additional capacity in the future.

Our audit approach

We obtained an understanding of the Company's process for determining the recoverable amounts based on explanations provided by members of the accounting department as well as an assessment of the group accounting guidelines.

With the involvement of our valuation experts, we assessed the computational accuracy and IFRS compliance of the Company's valuation methods and the appropriateness of significant assumptions made therein. In addition, we discussed the expected cash flows with those responsible for planning. We have also reconciled this information with the budget prepared by management and approved by the Supervisory Board as well as other internally available forecasts, e.g. for tax purposes, to ensure consistency. The appropriateness of the assumptions was also evaluated using external market assessments. We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual earnings realized and by analyzing deviations.

We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium, the necessity of specific risk premiums and the beta factor, with our own assumptions and publicly available data.

In order to take account of forecast uncertainty, we also assessed the impact of reasonably possible changes in the discount rate and the expected cash flows arising from fluctuations in earnings on the recoverable amount by calculating alternative scenarios and comparing these with the Company's measurements (sensitivity analysis).

Our observations

The approach, including the valuation method, underlying impairment testing of property, plant and equipment in the 300 mm division is consistent with the accounting policies. The assumptions and data used by the Company are reasonable.

Other information

The Executive Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises:

– the components of the combined management report not audited for content specified in the Appendix to the Independent Auditor's Report.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

– is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
– otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Executive Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Executive Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „ESEF_KA+LB_SiltronicAG_2024.zip“ (SHA256-Hashwert: b1d3ef0187be326c38276d16417e246b513889e5bced0ed97d14e07c249ff147) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's Executive Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Executive Board is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on May 13, 2024. We were engaged by the Audit Committee on September 24, 2024. We have been the auditor of the consolidated financial statements of Siltronic AG without interruption since financial year 2015.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the Company and its controlled entities the following services that are not disclosed in the consolidated financial statements or in the combined management report: audit of the annual financial statements of Siltronic AG, review of the half-year financial statements, limited assurance engagement on the combined non-financial statement, substantive audit of the remuneration report according to stock corporation law, agreed-upon procedures in connection with financial covenants as well as other assurance services pursuant to the European Market Infrastructure Regulation (EMIR) (Section 32 of the German Securities Trading Act [WpHG]), Section 11 (2) of the German Natural Gas Heat Cap Act [StromPBG], Section 19 (2) of the German Natural Gas Heat Price Cap Act [EWPBG], Section 30 (1) no. 2 c StromPBG or Section 22 (1) no. 2 EWPBG, Section 30 of the German Heat and Power Cogeneration Act [KWKG], Section 19 of the German Electricity Network Charges Regulation [StromNEV] and Article 25 (1) of the EU Regulation or Article 12 of the German Carbon Leakage Ordinance [BECV] ("electricity price compensation").

Other Matter – Ose of the Auditor’s Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Matthias Koeplin.

Munich, March 5, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signature] Koeplin
Wirtschaftsprüfer
[German Public Auditor]

[signature] Schäfer
Wirtschaftsprüferin
[German Public Auditor]

Appendix to the Independent Auditor's Report: components and cross-references of the combined management report not audited for content

We did not audit the following components of the combined management report for content:

- the combined non-financial statement for the Company and the Group, which is included in a separate section of the combined management report,
- the combined corporate governance statement for the Company and Group, which is included in a separate section of the combined management report, and
- information extraneous to management reports and marked as unaudited. Disclosures that are not part of the combined management report are those disclosures that are not required pursuant to Sections 289, 289a and Sections 289b to 289f HGB, respectively.

We did not audit the content of the cross-references in the combined management report not required by law and the information to which the cross-references refer

- Cross-references to the combined corporate governance statement
- Cross-references to the ESG report

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the significant opportunities and risks associated with the expected development of the Group.

Munich, March 5, 2025
The Executive Board of Siltronic AG

Dr. Michael Heckmeier (CEO)	Claudia Schmitt (CFO)	Klaus Buchwald (COO)

Compensation report

The following compensation report complies with the requirements of Section 162 of the German Stock Corporation Act (AktG) as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II). The compensation report was prepared jointly by the Executive Board and Supervisory Board and adopted by both bodies on March 5, 2025. The unqualified report on the audit is printed at the end of the compensation report. The 2023 remuneration report was submitted to the Annual General Meeting on May 13, 2024 for approval and approved with 60.34 percent of the votes.

Overview of Executive Board compensation system

A full description of the compensation system applicable for the financial year 2024 can be found in the invitation to the 2023 Annual General Meeting, which is available on our corporate website.

The compensation system contributes to furthering Siltronic AG's business strategy of sustainably consolidating its position as one of the leading manufacturers of semiconductor wafers by defending its technology position, expanding its capacity in line with market growth, and thereby generating profit and cash flow across all market cycles by continuously improving its cost position.

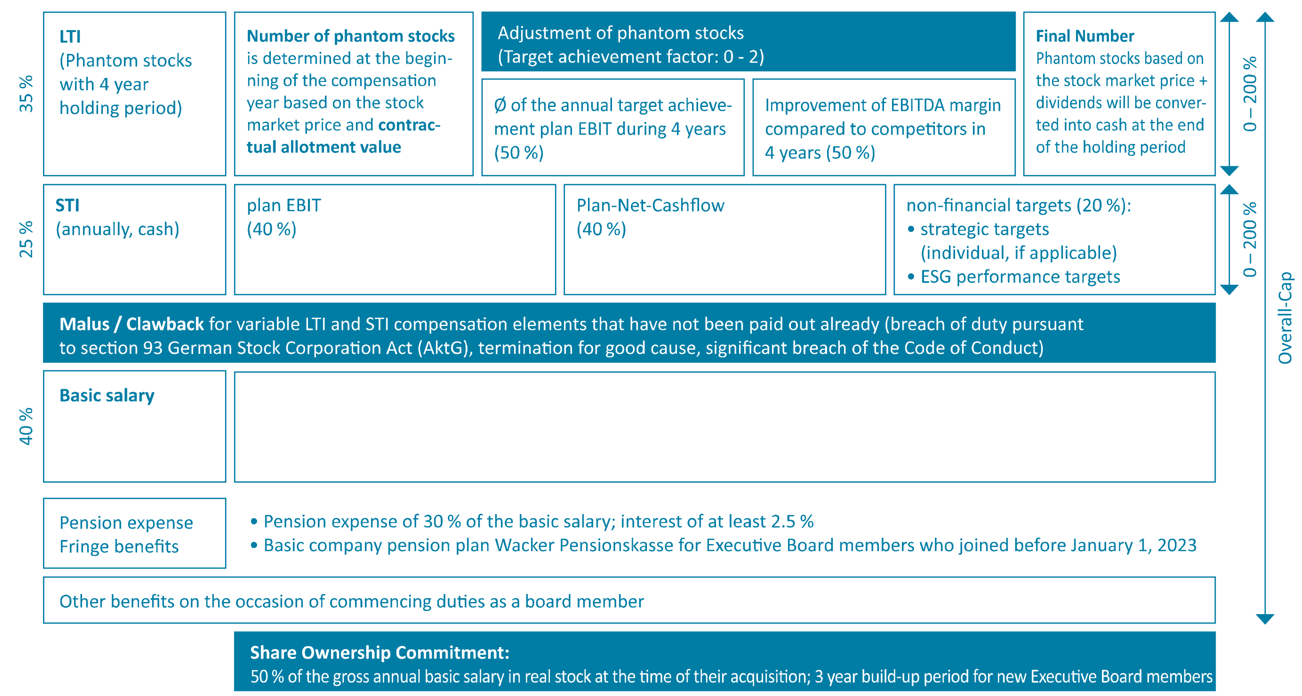
Compensation 2024

Important events in the compensation year 2024

With effect from June 1, 2024, the Supervisory Board has appointed Mr. Klaus Buchwald as a member of the Executive Board of Siltronic AG. Mr. Buchwald will assume the position of Chief Operating Officer (COO).

The following chart provides an overview of the main components of the compensation system, the targets set and their strategic relevance in the financial year 2024.

Model compensation system



Main components of the compensation system

Component	Strategic Reference	Implementation
Remuneration not linked to performance		
Annual basic salary	Attraction/retention of qualified management personnel	• CEO: 600,000 EUR • CFO: 390,000 EUR • COO: 390,000 EUR • fixed salary in 12 monthly instalments
Fringe benefits	Granting of compensation at market rates and assumption of costs in connection with Executive Board activities	• Commitment to assume costs or non-cash benefits, including inter alia for a company car, health care, legal fees and subsidies to build up a private pension plan
Pension benefit	Adequate benefit as part of competitive remuneration	• 30% of the basic salary is added to a fictious capital account and bears interest at 2.5% to a maximum of 5% • Basic company pension (pension fund) for members who joined before 1 January 2023 • Pension cap: 50% of the last monthly basic salary received from the company before the insured event
Remuneration linked to performance		

Annual bonus STI	Focusing on profitability and generating positive cash flow. Supporting the strategic development of the Company, which also includes social and environmental aspects.	• **Financial KPIs:**
		  • plan EBIT (40%)
		  • Plan-Net-Cashflow (40%)
		
		• **Non-financial KPIs:**
		  • strategic target (10%):
		    • Progress FabNext (5%)
		    • Closing SD-production (5%)
		  • ESG (10%):
		    • work safety, silicon yield, Greenhouse Gas Emission, water consumption, recycling
		
		• Cap: 200%

Long-term share-based compensation LTI	Strengthening the long-term sustainability and sustainable development of the Company	• 4 year performance period for phantom stocks (stock market price + dividends)
		• KPIs for multiplication of the phantom stocks:
		  • Ø of the plan EBIT target achievement (50%)
		  • EBITDA margin of the Company compared to the competitor market (50%)
		• Cap: 200%

Benefits in case of termination		
Mutual termination	Avoidance of unreasonably high severance payments	• Cap: compensation payment limited to remaining term, max. 2 years' compensation (in accordance with GCGC)
Post-contractual non-competition clause	Knowhow protection, competitiveness	• Compensation for waiting: 12 months in the amount of basic annual salary
Further regulations of the compensation system		
Other benefits in connection with the commencement of the service on the Executive Board	Part of a competitive compensation and securing the best available candidates for the Executive Board	• One-off payment at the due discretion of the Supervisory Board, in particular to compensate for the forfeiture of benefits by the previous employer
Share Ownership	Alignment of interests of the Executive Board and shareholders	• Shareholding obligation in the amount of 50% of the annual basic salary (gross amount) in shares

Malus/Clawback	Sanctions/incentives against compliance violations	• Payment amount for STI/LTI may be withheld:
		  • good cause pursuant to section 93 of the German Stock Corporation Act (AktG)
		  • significant breach of the Code of Conduct

Max. remuneration	Avoidance of unreasonably high payouts	• CEO EUR 2,650,000 • Executive Board member EUR 1,810,000

Determination of the target compensation and maximum compensation for 2024

Based on the compensation system, the Supervisory Board has set the following specific target compensation for the financial year 2024 upon recommendation of the Executive Committee of the Supervisory Board.

	Dr. Michael Heckmeier, CEO				Claudia Schmitt, CFO			
	2024				2024			
	Target	in %	Minimum	Maximum	Target	in %	Minimum	Maximum
Basic salary	**600,000**	**35%**	**600,000**	**600,000**	**390,000**	**34%**	**390,000**	**390,000**
Short term variable compensation								
STI for 2024	375,000	22%	0	750,000	243,750	21%	0	487,500
Long term variable compensation								
LTI 2024 – 2027	525,000	31%	0	1,050,000	341,250	30%	0	682,500
Target compensation	**1,500,000**	**87%**		**2,400,000**	**975,000**	**86%**		**1,560,000**
Fringe benefits	35,000	2%			35,000	3%		
Pension expense (service cost)	182,250	11%			127,166	11%		
Other: Commencement of board activities	–	0%		–	–	0%		–
Total target compensation	**1,717,250**	**100%**		**2,650,000**	**1,137,166**	**100%**		**1,810,000**

	Klaus Buchwald, COO (from June 1, 2024)			
	2024			
	Target	in %	Minimum	Maximum
Basic salary	**227,500**	**25%**	**227,500**	**227,500**
Short term variable compensation				
STI for 2024	142,188	16%	0	284,376
Long term variable compensation		0%		
LTI 2024 – 2027	199,063	22%	0	398,126
Target compensation	**568,751**	**63%**		**910,002**
Fringe benefits	20,417	2%		
Pension expense (service cost)	68,743	8%		
Other: Commencement of board activities	250,000	28%		
Total target compensation	**907,911**	**100%**		**1,305,835**

In addition to the caps for the individual variable compensation components (STI: 200 percent, LTI: 200 percent), the Supervisory Board has, in accordance with Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG), set a binding maximum compensation in the compensation system that comprises all compensation amounts paid for a given financial year (annual basic salary, variable compensation components, pension expenses or service costs, and fringe benefits). The maximum compensation amounts to EUR 2,650,000 for the CEO and EUR 1,810,000 each for the CFO and COO. The final inflow for the financial year 2024 can only be determined after the expiry of the four year holding period for the phantom stocks of the LTI at the beginning of the financial year 2028. If the total compensation determined thereafter for the financial year 2024 exceeds the defined maximum compensation, the cash settlement of the LTI for the financial year 2023 will be reduced accordingly.

Procedures for establishing, implementing and reviewing the appropriateness of the compensation system

Based on a proposal by the Executive Committee of the Supervisory Board, the Supervisory Board determines the system and the amount of the Executive Board compensation, including the maximum compensation. The Supervisory Board submits the resolved compensation system to the Annual General Meeting for approval.

The Supervisory Board regularly reviews the system and the level of the Executive Board compensation for appropriateness. To this end, it conducts an annual vertical comparison of the Executive Board compensation. In doing so, it considers the basic and target compensation in relation to the comparative groups of Executive and other employees. Secondly, the level and structure of the compensation is compared annually with a peer group of German listed companies defined by the Supervisory Board, which have similar key figures and whose composition is published (horizontal comparison). For the formation of this peer group, it was not possible to draw on the wafer competitors, as they only publish insufficient compensation information and are not listed in Europe. The Supervisory Board therefore formed a peer group of German listed companies that are listed in the MDAX, TecDAX or SDAX and have similar key figures. This includes Carl Zeiss Meditec AG, Fuchs Petrolub SE, Gerresheimer AG, Jenoptik AG and Norma Group SE.

In case of significant changes, but at least every four years, the compensation system is again submitted to the Annual General Meeting for approval.

The system and the level of the Executive Board compensation are determined by the full Supervisory Board on the basis of a proposal by the Executive Committee of the Supervisory Board and regularly reviewed for appropriateness. The compensation system for the Executive Board was last adjusted for the financial year 2023. It was approved by the Annual General Meeting on May 5, 2023 with 98.27 percent of the votes cast and forms the basis for the Executive Board remuneration for 2024.

Fixed compensation components

Basic annual salary

The basic annual salary is a fixed cash payment for the year as a whole, which is based on the area of responsibility of the respective Executive Board member. The basic annual salary was paid as a salary in twelve monthly installments.

Company pension scheme

Executive Board members who were already members of Wacker Pensionskasse VVaG before January 1, 2023, are initially entitled to a basic company pension through the Pensionskasse der Wacker Chemie VVaG pension fund. For this purpose, the Company and the members of Wacker Pensionskasse VVaG make monthly contributions to the pension fund. Since January 1, 2023, new entrants to Siltronic AG are no longer members of the Wacker Pensionskasse VVaG. Such a component has therefore no longer been granted for Dr. Heckmeier and Mr. Buchwald or for future appointments of new Executive Board members.

The Company also provides a pension expense of 30 percent of the basic annual salary each year. The pension expenses saved up to the time of retirement are credited to a notional capital account and earns interest in accordance with a 60-month average of the current yield published by the Bundesbank, but at a minimum of 2.5 percent and a maximum of 5 percent. The pension is calculated by multiplying this pension capital according to the status of the corresponding capital account at the time of the occurrence of the pension case by the pension factor applicable to the respective retirement age of the Executive Board member at the time of the occurrence of the pension case. Alternatively, in the event of a pension being payable, the member of the Executive Board can choose a lump-sum payment instead of the promised lifelong retirement and disability pension, which corresponds to the pension capital at the time of the pension payment.

The gross amount of the monthly pension to be paid after retirement (based on the employer-financed portion) is limited for the members of the Executive Board to 50 percent of the monthly installment of the basic annual salary last received by the respective Executive Board member from the Company (pension cap).

Members of the Executive Board who have been promised deferred compensation in the past may continue to receive this compensation to the same amount as before.

The following overview shows the pension expense and the present value of the defined benefit obligations for financial year 2023. The pension expense shown here is the pension expense according to the target compensation less own contributions.

	Benefit obligations		Pension expense	
EUR	**2024**	2023	**2024**	2023
Members of the Executive Board in office as of December 31, 2024				
Dr. Michael Heckmeier, CEO	330,457	117,561	182,250	117,561
Claudia Schmitt, CFO [1]	1,072,335	908,321	129,273	62,309
Klaus Buchwald, COO (from June 1, 2024)	68,748	–	68,748	–

[1] Ms. Schmitt has acquired entitlements under her employment contract with Siltronic AG prior to taking up office as a member of the Executive Board

As at December 31, 2024, the pension obligations for former members of the Executive Board and their surviving dependents mounted to EUR 14,037,355 (previous year: EUR 9,800,927 including foreign pension plans).

Fringe Benefits

As a fringe benefit by the Company, the members of the Executive Board have a company car at their disposal, also for private use. The members of the Executive Board also receive a subsidy for health and long-term care insurance as well as costs in connection with a medical check-up. The fringe benefits also include the above-mentioned subsidies for building up a private pension or the non-cash benefit of the aforementioned benefits, if these are granted.

Insurance

In addition, a D&O insurance policy is in place with a deductible in accordance with the requirements of the German Stock Corporation Act (AktG) amounting to 10 percent of the damage up to one and a half times the basic annual salary. The members of the Executive Board are included in the criminal legal expenses insurance that the Company has taken out for its employees and members of its executive bodies. This insurance covers any lawyers' and court costs incurred in the defense in criminal or misdemeanor proceedings. In addition, the members of the Executive Board are included in an accident insurance policy for accidents on and off the job.

Variable compensation components

Performance related bonus

The STI is a performance-related bonus with a one-year assessment period. The basis for the STI is the achievement of the performance targets set by the Supervisory Board for each financial year at the beginning of the financial year. The performance targets consist of financial targets and non-financial targets relevant to the Company. The financial targets adopted for the financial year 2024 relate to the performance categories 'plan EBIT' (40 percent) and 'plan net cash flow' (40 percent).

The performance criteria further the long-term development of the Company as follows:

The performance criterion 'plan EBIT' sets incentives to strengthen the Company's operating earning power. EBIT measures earnings before interest and taxes. With regard to the tax relief from which the Singapore subsidiary benefits for its investments, it makes sense to choose a ratio that excludes local taxation and the financial structure of the Company. Furthermore, the key figure EBIT takes depreciation and amortization into account and – against the background of the capital intensity of the semiconductor sector-– only promotes investments that achieve an appropriate return on capital employed.

The performance criterion 'plan net cash flow' is based on one of the key financial control parameters used to manage the Company. The net cash flow shows whether the necessary investments in property, plant and equipment and intangible assets can be financed from the Company's own operating activities. In addition to profitability, the main influencing factors are effective management of net working capital and the level of capital expenditure. Net working capital is the sum of inventories and trade receivables plus contract assets less trade payables. A positive net cash flow is particularly important in a cyclical industry. Influencing factors for this performance category are in particular cost performance, good working capital management and an appropriate investment policy. On the other hand, inflows and outflows of customer and supplier prepayments are not considered, unless they relate to investments in property, plant and equipment and intangible assets.

The non-financial targets relate to strategic targets (10 percent as well as targets related to environment, social and prudent corporate management governance – so called ESG targets (10 percent in total).

STI 2024

Various milestones were set as strategic objectives for the FabNext project, which relates to the progress of the commissioning of the second 300mm factory at the Group site in Singapore and the socially responsible termination of SD production in Burghausen. The Supervisory Board waived individualization of the strategic targets for the Executive Board members, which is possible under the compensation system, in order to take account of the collective responsibility of the Executive Board as a body for both strategic projects.

The quantitative ESG targets set by the Supervisory Board (10 percent) comprise key figures measuring the avoidance of occupational accidents (measured on the basis of lost-time accidents per million hours worked), the efficient use of silicon in wafer production (measured on the basis of silicon yields), the reduction of specific water consumption , and the greenhouse gas emissions, the implementation of the adopted climate strategy and the recycling rate, which together form the ESG performance index.

In line with the compensation system, the targets set and the levels of target achievement are published ex-post, provided they do not contain any confidential or competition-relevant information, in order to further increase the transparency of Executive Board compensation. The target setting and target achievement in the bonus (STI) applicable for financial year 2024 are shown in the table below. While the actual EBIT is slightly below the target in the target range, the target for the planned net cash flow was exceeded. Effects from the later start of depreciation of FabNext are not taken into account when measuring the target for the EBIT performance category. For the target measurement of the net cash flow performance category, variances between planned and actual values for cash flows for investments (property, plant and equipment, intangible assets and investment grants) are not taken into account.

	Target value	Target corridor	Actual value	Target achievement	Weighting
	in EUR million	in EUR million	in EUR million		in percent
Financial targets					
Plan EBIT	10	-140 to 160	–54	0.60	40
Plan net cashflow	–430	-580 to -280	–393	1.25	40
Non-financial targets					
Strategic target (FabNext project; SD Closure)	Contains competition-relevant information (confidential)			1.00	10
ESG performance index				0.71	10
Total STI				**0.91**	**100**

Long-term share-based compensation: LTI

The LTI is designed as a share-based performance share plan with a four-year performance period or holding period for the phantom stocks (performance shares) and is based on economic indicators that take into account the long-term sustainability of the Company.

LTI share-based compensation

Number of phantom stocks is determined at the beginning of the compensation year based on the stock market price and **contractual allotment value**	Adjustment of phantom stocks (Target achievement factor: 0 - 2)		**Final Number** Phantom stocks based on the stock market price + dividends will be converted into cash at the end of the holding period
	Ø of the annual target achievement plan EBIT during 4 years (50 %)	Improvement of EBITDA margin compared to competitors in 4 years (50 %)	

The allotment value agreed in the service contract is initially converted into granted phantom stocks on the basis of the average weighted closing price of the share of the XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last 30 trading days prior to the first day of the compensation year. The phantom stocks are held for a period of four years, calculated from the beginning of the compensation year. The basis for the LTI and the final number of phantom stocks is the achievement of the targets set by the Supervisory Board for each performance period. For each performance period, the performance targets are set by the Supervisory Board at the beginning of the performance period.

The performance targets for the LTI 2024 relate to the performance categories EBITDA margin improvement/deterioration compared with competitors over the performance period and average of the Company's annual planned EBIT target achievement over the four-year performance period and promote the Company's long-term development as follows:

For the overall target achievement factor, a 50 percent change in the Company's EBITDA margin in comparison with competitors over the performance period is relevant, i.e. in comparison with important wafer manufacturers (currently ShinEtsu Electronic Materials, SUMCO, GlobalWafers and SK Siltron). The EBITDA margin is defined as earnings before interest, taxes, depreciation and amortization, including impairment losses and, where applicable, reversals of impairment losses. It is one of the Siltronic Group's financial control parameters for measuring profitability in comparison with competitors. With this performance criterion, the Supervisory Board would like to create incentives for a performance that is demanding by industry standards. To determine the EBITDA development, the Supervisory Board first determines the average EBITDA margin of the four reported quarters preceding the four-year performance period for the Company and for each peer company and compares it with the average EBITDA margin of the four reported quarters prior to the end of the performance period. In the second step, the EBITDA development thus determined is used to determine the percentage points by which the EBITDA margin has improved or deteriorated for the Company and for each comparable company; the average is then calculated for the comparable companies. The third step is to determine by what percentage points the Company's EBITDA margin deviates from the average EBITDA margin change of the peer companies. Based on the percentage determined, the achievement of the objectives is calculated in a fourth step.

A further 50 percent of the overall target achievement factor is based on the average Company performance over the four-year performance period, i.e. the average of the annual plan EBIT target achievement of the Company over the four-year performance period. The definition of objectives and the measurement of target achievement follows the STI's plan EBIT target. The setting of the target and the measurement of target achievement follow the STI's plan EBIT target. This indicator takes into account depreciation and amortization and - against the background of the capital intensity of the semiconductor sector - only promotes investments that generate an appropriate return on capital employed.

	Target (100%)	Weighted share price [1]	Number of phantom shares (preliminary)
Dr. Michael Heckmeier, CEO	525,000	85.64	6,130
Claudia Schmitt, CFO	341,250	85.64	3,985
Klaus Buchwald, COO (from June 1, 2024)	199,063	85.64	2,324

[1] calculated on the basis of the weighted average stock exchange price (Xetra) of the last 30 trading days 2023 = 85.64 EUR

The specific targets and target achievement (including the final number of phantom stocks) for the LTI tranche 2024 will be published in the Annual Report 2028 after the end of the four-year performance period.

Review of the maximum amounts for total remuneration in 2021

In order to verify compliance with the maximum amount limits of the 2021 financial year in which the tranche was awarded, the number of phantom shares including dividend payment is to be updated until the reporting date of December 31, 2024 and weighted with the relevant weighted Xetra average price of the Siltronic share on the last 30 trading days of the 2024 financial year. This amounted to EUR 48.21 per share.

In view of the maturity of the 2021 - 2024 LTI tranche, a review was then carried out to ensure compliance with the maximum amount limits for the 2021 financial year in which the tranche was granted for the remuneration as a whole. The payout amount is not higher than 200 percent of the calculated LTI at the time of granting. The maximum limits were not exceeded for any member of the Executive Board. The final amount is shown in the overview below:

Payment in EUR	Calculated LTI at the beginning of the performance period	Number of phantom stocks at grant	Number of phantom stocks at Dec, 31 2024	Xetra price last 30 days 2024	Dividends (2021 – 2024)	Payment tranche 2021 – 2024	Remuneration paid out in 2021	Total remuneration 2021	Maximum remuneration 2021
Dr. Christoph von Plotho, CEO (until May 5, 2023)	481,250	3,957	3,809	48.21	9.20	218,675	1,190,557	1,409,232	2,450,000
Rainer Irle, CFO (until June 30, 2023)	341,250	2,806	2,701	48.21	9.20	155,064	849,506	1,004,570	1,810,000

Additional disclosures on share-based compensation instruments in the financial year 2024

The following overview shows the development of the portfolio of phantom stocks of the tranches not yet disbursed.

Portfolio	Tranche	Calculated LTI at the beginning of the performance period in EUR	Number of phantom stocks at the time of grant	Number of phantom stocks (preliminary) 31.12.2024	**Value on the reporting date 31.12.2024 in EUR**
Members of the Executive Board in office as of December 31, 2024					
Dr. Michael Heckmeier, CEO	2022 – 2025	–	–	–	–
	2023 – 2026	340,489	4,472	4,021	202,814
	2024 – 2027	525,000	6,130	5,906	280,771
Claudia Schmitt, CFO	2022 – 2025	–	–	–	–
	2023 – 2026	170,625	2,241	2,015	101,634
	2024 – 2027	341,250	3,985	3,839	182,506
Klaus Buchwald, COO (from June 1, 2024)	2022 – 2025	–	–	–	–
	2023 – 2026	–	–	–	–
	2024 – 2027	199,063	2,324	2,239	106,442
former Members of the Executive Board			–	–	–
Dr. Christoph von Plotho, CEO (until May 5, 2023)	2022 – 2025	525,000	3,861	3,179	170,712
	2023 – 2026	525,000	6,896	6,200	312,720
Rainer Irle, CFO (until June 30, 2023)	2022 – 2025	341,250	2,510	2,066	110,944
	2023 – 2026	170,625	2,241	2,015	101,634

Option to reclaim (clawback/malus)

The Supervisory Board may reduce the amount paid out under the STI and the LTI by up to 100 percent upon termination of the Executive Board member's service contract due to termination by the Company for good cause, in the event of a breach of duty within the meaning of Section 93 of the German Stock Corporation Act (AktG) or a material breach of the Company's Code of Conduct by the Executive Board member during the assessment period – in case of the STI during the relevant one-year assessment period or, in case of the LTI during the relevant four year assessment period in each case. The reduction of the amount paid out is at the dutiful discretion of the Supervisory Board.

In the financial year 2024, the Supervisory Board did not make use of the option to reduce variable compensation.

Share ownership commitment

In addition to the LTI as a share-based performance share plan with a four-year performance period, the share ownership commitment for the Executive Board is another key component of the compensation system. The members of the Executive Board are obliged to acquire shares amounting to 50 percent of a basic annual salary (gross amount) and to hold these shares for the duration of their appointment to the Executive Board. New members to the Executive Board have a period of three years to fulfill the share ownership commitment. The value of the shares at the time of acquisition is decisive. In addition to the LTI, the share retention obligation provides an additional incentive for the long-term development of the enterprise value beyond the respective four-year performance period.

Loans and advances

No loans or advances are granted to members of the Executive Board.

Commitments in connection with the commencement of activities on the Executive Board

For new appointments of the Executive Board members, the compensation system provides for the possibility that the Supervisory Board may grant benefits on the occasion of the commencement of Executive Board activity, in particular to compensate for the forfeiture of benefits with the previous employer.

Commitments in connection with the termination of the activity as members of the Executive Board

In the event of premature termination of the service agreement, any payments to be agreed, including fringe benefits, may not exceed the value of two years' compensation and may not exceed the value of the compensation for the remaining term of the service agreement within the meaning of recommendation G.13 of the German Corporate Governance Code (GCGC) (severance payment cap). In the event of premature termination by the Company for good cause, severance pay is excluded.

The members of the Executive Board are each subject to a post-contractual non-competition obligation for a period of twelve months after termination of their service contracts. During this period, they are entitled to a waiting allowance amounting to 100 percent of the last annual basic salary received. Any benefits paid under the Company pension scheme and any income earned from activities not covered by the waiting period obligation are offset against the waiting period compensation if this additional income exceeds the total annual compensation (the amount paid out is decisive) of the last full year of service as a member of the Executive Board. If the Company pays a compensation for waiting periods, the severance payment will be credited against the compensation for waiting periods.

If the service relationship ends for any other reason than as a result of termination by the Company for good cause, the entitlement to the STI and the LTI remains subject to the general contractual provisions on settlement and payment.

Dr. von Plotho's mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023. Dr. von Plotho received compensation in the amount of his last basic salary for the entire 2024 financial year; however, the portion of his company pension financed by Siltronic was offset against this compensation.

Compensation granted and owed in 2024

The following table shows the compensation granted and owed individually to members of the Executive Board in accordance with Section 162 (1) sentence 2 no. 1 of the German Stock Corporation (AktG). According to the pronouncements of the IDW, it is permissible and appropriate for the disclosure pursuant to Section 162 (1) sentence 2 of the German Stock Corporation (AktG) to disclose the compensation components in the financial year in which the activity on which the compensation is based (one or more years) was fully performed, even if the actual payment or inflow does not occur until after the end of the financial year. Accordingly, the table contains all amounts that were earned in the reporting period ("vesting principle"). Accordingly, the variable compensation to be reported for the financial year includes, in addition to the fixed compensation components paid out in the financial year (basic salary and fringe benefits), the variable compensation STI earned for the financial year 2024 and the LTI tranche 2024 - 2027. However, in accordance with IDW pronouncements, the addition to provisions for the pension obligation is not recognized as compensation granted and owed but is recognized separately as pension expense in the section 'Company pension scheme'.

The fixed and variable remuneration components granted are in line with the requirements of the compensation system.

	Fixed Compnents				Variable Components			Total Compen-sation	Fixed	Variable
	Fixed Salary in EUR	Fringe Benefits in EUR	Benefit in connection with start Board activity in EUR	Total in EUR	STI 2024 in EUR	LTI 2024 – 2027 in EUR	Total in EUR	in EUR	in %	in %
Members of the Executive Board in office as of December 31, 2024										
Dr. Michael Heckmeier, CEO	600,000	19,979	–	**619,979**	341,250	280,771	**622,021**	1,242,000	50	50
Claudia Schmitt, CFO	390,000	28,913	–	**418,913**	221,813	182,506	**404,319**	823,232	51	49
Klaus Buchwald, COO (from June 1, 2024)	227,500	13,256	250,000	**490,756**	129,391	106,442	**235,833**	726,589	68	32

In accordance with Section 162 (5) of the German Stock Corporation (AktG), personal details are not disclosed for former members of the Executive Board who left the Executive Board before December 31, 2014. A total of EUR 487,969 in benefits (pensions/retirement pay) which exclusively contains fixed components was paid to former members of the Executive Board who left before this date or their surviving dependents in the financial year 2024. For the former member of the Executive Board, Dr. von Plotho, who resigned with effect from May 5, 2023, a waiting allowance of EUR 463,599.60 was paid in the 2024 financial year, taking into account the purely employer-financed pension. The total benefits from the company pension plan based on employer and employee contributions amounted to EUR 342,407 in 2024. In addition, the profit-related remuneration for the 2020-2023 tranche for Dr. von Plotho and Mr. Irle was paid out.

Compensation of Supervisory Board members

The compensation of the members of the Supervisory Board of Siltronic AG is governed by the Articles of Association of Siltronic AG.

The Articles of Association provide for a fixed annual compensation of EUR 50,000 for the members of the Supervisory Board.

Due to the additional expense associated with exercising certain functions, the compensation for the Chairman of the Supervisory Board is multiplied by a factor of 3. The factor 2 applies to his Deputy and the chairperson of a committee, and the compensation of members of committees is multiplied by a factor of 1.5. However, membership of the Conciliation Committee, which is required to be established by law, is not taken into account, i.e. membership of this committee does not lead to an increase in annual compensation. In addition, twin and multiple functions are not taken into account, so that the Chairman and Deputy Chairman do not receive any other factors for functions in committees and committee functions are only taken into account once for the members of the Supervisory Board.

Supervisory Board members who join or leave the Supervisory Board during the current financial year receive a corresponding pro rata compensation, rounded up to full months.

The Company reimburses the members of the Supervisory Board for their necessary expenses in the form of a lump sum. The lump sum amounts to EUR 10,000 (in words: ten thousand euros) for each calendar year. The Company also reimburses the members of the Supervisory Board for their necessary travel expenses upon presentation of receipts.

The Company provides Supervisory Board members with adequate insurance cover. In particular, the Company has taken out a D&O insurance policy without deductible for the benefit of Supervisory Board members.

No advances or loans were granted to members of the Supervisory Board during the reporting year.

Pursuant to section 113 (3) of the German Stock Corporation Act (AktG), the Annual General Meeting must pass a resolution on the compensation of the members of the Supervisory Board at least every four years. The compensation system outlined above was approved by resolution of the Annual General Meeting on May 5, 2023 with a majority of 99.84 percent of the votes.

The presentation of Supervisory Board compensation also follows the vesting principle.

Supervisory Board compensation in the financial year 2024

Supervisory Board member	Membership in months	Lump sum annual remuneration 2024 in EUR [3]	Lump sum for expenses for 2024 in EUR	fixed in %	**Total remuneration in EUR**
Mandy Breyer[2]	12	50,000	10,000	100	60,000
Jos Benschop	8	50,000	10,000	100	60,000
Klaus-Peter Estermaier[1]	12	50,000	10,000	100	60,000
Sieglinde Feist	12	50,000	10,000	100	60,000
Dr. Hermann Gerlinger	12	50,000	10,000	100	60,000
Michael Hankel	12	100,000	10,000	100	110,000
Markus Hautmann[2] (until August 31, 2024)	12	33,333	6,667	100	40,000
Günter Zellner[2] (from September 2, 2024)	5	16,667	3,333	100	20,000
Daniela Berer[2]	8	100,000	10,000	100	110,000
Mariella Röhm-Kottmann	8	100,000	10,000	100	110,000
Dr. Tobias Ohler	12	150,000	10,000	100	160,000
Lina Ohltmann[2]	12	50,000	10,000	100	60,000
Volker Stapfer[2]	12	75,000	10,000	100	85,000

[1] For the representative of the executive employees on the Supervisory Board, the regulations of the Verband angestellter Akademiker und leitender Angestellter der chemischen Industrie e. V. apply. (VAA).
[2] These employee representatives on the Supervisory Board as well as the trade union representatives on the Supervisory Board have declared that their compensation will be paid to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Federation.
[3] Taking into account the applicable factors for specific functions.

Multi-year overview

Comparative presentation of compensation and earnings development

Pursuant to Section 162 (1) sentence 2 no. 2 of the German Stock Corporation Act (AktG), the following comparative presentation shows the annual change in the compensation granted and owed to current and former members of the Company's executive bodies, the Company's earnings performance and the average compensation of employees on a full-time equivalent basis. It is based on the average wages and salaries of Siltronic AG employees in Germany who were in active employment during the financial year (including persons in the active phase of partial retirement) and takes into account all collectively agreed and non-tariff salary levels up to senior management level. Employees who left the Company during the financial year were included on a pro rata basis. In addition to fixed elements (salary, collectively agreed and job-related bonuses, top-up amounts for partial retirement, overtime and standby allowances), the compensation includes fringe benefits (company car allowance and other non-cash benefits) and variable components (bonuses, profit-sharing schemes, special payments, one-time payments, annual payments, inventor's bonus, paid leave, etc.) to improve comparability with the compensation of the Executive Board. The accrual value was used for variable compensation that relates to the compensation year but is not paid out until after the end of the financial year. Temporary employees are not included in the population, as they are not employed by Siltronic AG under labor law. Persons who work for us during their training or studies (e.g. interns, doctoral students, trainees, working students, diploma students, etc.) are also excluded accordingly.

Earnings performance

EUR million.	2020	2021	change in %	2022	change in %	2023	change in %	**2024**	**change in %**
Sales	1,207.0	1,405.4	16	1,805.3	28	1,513.8	-16	1,412.8	-7
EBITDA	332.0	466.4	40	671.6	44	433.9	-35	363.8	-16
Net income pursuant to the German Commercial Code (HGB)	75.0	96.1	28	93.7	-2	21.4	-77	–13.3	-162

Average compensation employees

EUR									
Employees in Germany	75,575	78,133	3	81,738	5	76,260	–7	79,376	4

Compensation Executive Board

EUR									
Dr. Christoph von Plotho	n.a.	n.a.	-	n.a.	-	1,501,676	-	1,242,000	-17
Rainer Irle	n.a.	n.a.	-	n.a.	-	758,892	-	823,232	8
Klaus Buchwald	n.a.	n.a.	-	n.a.	-	n.a.	-	726,589	-

Compensation Supervisory Board

EUR									
Current Supervisory Board members									
Mandy Breyer (since 04/2018)	38,750	39,184	1	37,500	-4	60,000	60	60,000	0
Jo Benshop (since 05/2023)	n.a.	n.a.	-	n.a.	-	40,000	-	60,000	50
Klaus-Peter Estermaier (since 04/2018)	41,250	37,500	-9	42,500	13	60,000	41	60,000	0
Sieglinde Feist (since 12/2014)	41,250	37,500	-9	42,500	13	60,000	41	60,000	0
Dr. Hermann Gerlinger (since 03/2011)	73,750	68,750	-7	75,000	9	80,833	8	60,000	-26
Michael Hankel (since 04/2018)	60,000	53,750	-10	60,000	12	101,667	69	110,000	8
Markus Hautmann (until 08/2024)	n.a.	n.a.	-	42,500	-	60,000	41	40,000	-33
Günter Zellner (since 9/2024)	n.a.	n.a.	-	n.a.	-	n.a.	-	20,000	
Daniela Berer (since 05/2023)	n.a.	n.a.	-	n.a.	-	73,333	-	110,000	50
Mariella Röhm-Kottmann (since 05/2023)	n.a.	n.a.	-	n.a.	-	73,333	-	110,000	50
Dr. Tobias Ohler (since 02/2013)	111,250	106,250	-4	115,000	8	160,000	39	160,000	0
Lina Ohltmann (since 01/2021)	n.a.	n.a.	-	42,500	-	60,000	41	60,000	0
Volker Stapfer (since 01/2022)	n.a.	n.a.	-	n.a.	-	76,667	-	85,000	11

Former board members

EUR									
Dr. Christoph von Plotho [1]	1,333,241	1,710,372	2	1,370,171	–20	1,558,819	14	806,007	–62
Rainer Irle [2]	881,654	1,218,085	10	901,855	–26	520,719	–42	–	-
Compensation (pension) former board members (term ended before 12/2014)[3]	303,866	327,414	8	337,264	3	393,530	17	487,969	24

[1] Dr. von Plotho’s mandate as a member of the Executive Board and Chairman of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from the end of May 5, 2023. His employment relationship continued unaffected until the end of December 31, 2023. In 2024, Dr. von Plotho received a compensation payment, which was credited to the company pension benefits.

[2] Mr. Irle's mandate as a member of the Executive Board of Siltronic AG was terminated prematurely by mutual agreement with effect from June 30, 2023.

[3] The benefits for former members of the Executive Board and their surviving dependents who left the Company before December 2014 now also include payments from foreign pension plans.

Munich, March 5, 2025

Dr. Tobias Ohler
Chairman of the Supervisory Board of Siltronic AG

Dr. Michael Heckmeier
CEO

Claudia Schmitt
CFO

Klaus Buchwald
COO

Independent Auditor's Report

To Siltronic AG, Munich,

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached remuneration report of Siltronic AG, Munich, for the financial year from January 1 to December 31, 2024, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Siltronic AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2024, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclu-sion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Siltronic AG, are set out in the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on January 1, 2024. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Munich, March 5, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signature] Koeplin
Wirtschaftsprüfer
[German Public Auditor]

[signature] Schäfer
Wirtschaftsprüferin
[German Public Auditor]

Additional information

Quarterly overview

		Q4 2024	Q3 2024	Q2 2024	Q1 2024
Statement of profit or loss					
Sales	In EUR million	360.6	357.3	351.3	343.5
EBITDA	In EUR million	93.0	89.4	90.6	90.8
EBITDA margin	In %	25.8	25.0	25.8	26.4
EBIT	In EUR million	27.4	28.9	33.0	36.0
EBIT margin	In %	7.6	8.1	9.4	10.5
Net profit	In EUR million	–1.6	18.8	22.4	27.7
Earnings per share	In EUR	–0.08	0.60	0.73	0.86
Capital expenditure and net cash flow					
Capital expenditure including intangible assets	In EUR million	116.3	93.5	140.6	173.0
Net cash flow	In EUR million	20.8	–65.0	–94.9	–157.9
Statement of financial position					
Total assets	In EUR million	5,084.4	4,649.5	4,619.8	4,630.7
Equity	In EUR million	2,215.2	2,191.1	2,150.0	2,152.9
Equity ratio	In %	43.6	47.1	46.5	46.5
Net financial debt	In EUR million	733.5	739.1	639.2	501.0

[1] Quarterly figures are unaudited values.

Glossary

ASP
Average selling prices

Cash flow
A financial metric representing the net amount of cash and cash equivalents flowing into and out of a business during a period. Net cash flow is the sum of cash flow from operating activities (excluding the change in advance payments received) and cash flow from current investing activities (excluding securities but including additions from finance leases).

EBIT
Earnings before interest and taxes. This standardized metric is used by many companies, making it useful for comparing profit.

EBITDA
Earnings before interest, taxes, depreciation and amortization = EBIT + depreciation and amortization.

Equity ratio
A company's equity expressed as a percentage of its total assets. This metric provides an indication of a company's economic and financial stability.

FabNext
New production facility for 300 mm ingots and wafers at Siltronic site in Singapore.

Semiconductors
Materials whose electrical conductivity is much lower than that of metals but increases significantly with rising temperature. Semiconductors can be specifically altered and adapted to their intended use by doping with foreign atoms.

HAP
Hazardous air pollutants

IFRS
International Financial Reporting Standards (until 2001: International Accounting Standards, IAS). These standards are developed and published by the International Accounting Standards Board (IASB), which is based in London, UK. Under the IAS Regulation, adoption of IFRS has been mandatory for listed companies headquartered in the European Union since 2005.

NMVOC
Non-methane volatile organic compounds

NOx
Nitrogen oxides

PM
Particulate matter

Polysilicon
Hyperpure silicon used to manufacture silicon wafers for the electronics and solar industries. Raw silicon is added to liquid trichlorosilane and extensively dis-tilled before being separated again in a hyperpure form at a temperature of 1,000 degrees Celsius.

POP
Persistent organic pollutant

Semiconductor
A substance whose electrical conductivity is much lower than that of a metal but increases rapidly as the temperature rises. Semiconductors can be changed by deliberately introducing impurities in order to adapt them for a particular purpose.

Silicon
The second most abundant element on Earth after oxygen. In nature, silicon can only be found in the form of compounds, predominantly silicon dioxide and silicates. Silicon is obtained in an energy-intensive reaction between quartz sand and carbon. It is the most important raw material for the electronics industry.

Silicon wafer
A round disk with a thickness of approximately 200 to 800 µm. Silicon wafers are used by the semiconductor industry to manufacture semiconductor components, i.e. integrated circuits and individual components (known as discrete components).

SOx
Sulfur oxides

Financial calendar

April 30, 2025	Interim Report Q1 2025
May 12, 2025	Annual General Meeting
July 29, 2025	Interim Report Q2 2025
October 28, 2025	Interim Report Q3 2025

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Imprint

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Note on the Annual Report
This Annual Report is also available in German. If there are differences between the two, the German version takes priority. The Annual Report is available as a PDF document.

Note on rounding
Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

Disclaimer
This annual report contains forward-looking statements based on assumptions and estimates made by Siltronic's Executive Board. Although we assume that 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. Siltronic does not plan to update the forward-looking statements, nor does it assume the obligation to do so. Due to rounding, it is possible that individual figures in this report and other reports do not exactly add up to the total stated and that percentages shown may not exactly reflect the absolute values to which they refer.

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