

Press Release

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Siltronic and GlobalWafers agree to combine their activities to form a leading wafer manufacturer

- **GlobalWafers and Siltronic have entered into a Business Combination Agreement (BCA) according to which GlobalWafers will make a Tender Offer to Siltronic shareholders at an offer price of EUR 125 per share in cash**
- **The combination of the two companies will create a company with a comprehensive product portfolio and leading technology in the global wafer market**
- **Siltronic's Executive Board and Supervisory Board welcome the planned combination with GlobalWafers and the Tender Offer**
- **Wacker Chemie AG has contractually committed to tender its entire stake of approximately 30.8 percent in Siltronic into the offer**
- **Until the end of 2024, Siltronic sites in Germany are protected against closures and employees in Germany against compulsory redundancies under the BCA**

Munich, Germany, December 9, 2020 – Siltronic AG ("Siltronic"), headquartered in Munich, and GlobalWafers Co. Ltd. ("GlobalWafers") of Taiwan today signed a contractual agreement to create a leading wafer producer.

Excellent positioning of combined company thanks to complementary strengths

The combination of Siltronic as one of the technology leaders in the wafer sector and GlobalWafers with its excellent supply chain management and competitive cost structure will create a "best-in-class" wafer producer that will operate successfully in the global semiconductor market of the future. The product portfolios of both companies complement each other in many areas and form a strong basis to benefit from the long-term growth drivers in the wafer industry.

"The combination is a great opportunity for Siltronic and GlobalWafers to jointly form a company that is a world leader in both technology and efficiency," said Dr. Christoph von Plotho, CEO Siltronic.

"The Supervisory Board welcomes the planned combination of the two companies and thanks the Executive Board for its merits in establishing Siltronic as a technology leader in the global wafer industry," said Dr. Tobias Ohler, Chairman of Siltronic's Supervisory Board.

Extensive commitments for locations, employees, R&D activities and brand

The agreement signed by Siltronic and GlobalWafers respects Siltronic's technological achievements and the important role its employees will play in the joint company. Therefore, the BCA contains extensive commitments for Siltronic sites and employees. In particular, it includes a guarantee for the German sites, as well as protection against compulsory redundancies for employees in Germany until the end of 2024. The social partnership with German employee representatives as well as the existing collective bargaining agreements and works agreements will also be maintained. The Burghausen site will remain Siltronic's technology and R&D center. Sufficient investment budgets will be available in order to maintain and further develop existing production capacities. The established Siltronic brand will also remain in the combined company.

"This combination shows how attractive the Siltronic team and its leading-edge solutions are in this market. GlobalWafers has made important commitments for a successful future of Siltronic within the GlobalWafers Group. In particular, the guarantees made to the sites and the workforce were very important to us, but also maintaining the strong Siltronic brand under the GlobalWafers umbrella," von Plotho said.

Siltronic retains high strategic freedom of action and continues its successful business development

Siltronic will continue to manage its operating business with a high degree of strategic freedom. In order to fully exploit the potential of the combination, the CEO, CFO and Head of Technology of Siltronic AG will assume additional management functions at GlobalWafers after the completion of the proposed transaction. The Supervisory Board of Siltronic AG will continue to be co-determined and will consist of 12 members. GlobalWafers aims to have an appropriate representation on

Siltronic's Supervisory Board after completion of the transaction, which will continue to include three independent shareholder representatives.

Siltronic AG's general dividend policy, which provides for a payout ratio of around 40 percent of net income, will be continued for the financial year 2020. It is planned to propose a dividend of approximately EUR 2 per share, which is expected to be distributed prior to the completion of the transaction. Siltronic shareholders will thus participate in the profits of a fiscal year in the usual manner.

Tender Offer to Siltronic shareholders

In conjunction with signing of the BCA, GlobalWafers has announced its intention to make a voluntary public Tender Offer ("Tender Offer") to Siltronic shareholders at an offer price of EUR 125 per share in cash. Siltronic's Executive Board and Supervisory Board welcome GlobalWafers' Tender Offer. Subject to the careful review of the offer document and their legal obligations, the Executive Board and the Supervisory Board expect to recommend in their reasoned opinion that the company's shareholders accept the Tender Offer.

Siltronic shareholders who choose to participate in the Tender Offer will receive EUR 125 per share in cash for each ordinary Siltronic share held, representing a 48% premium to the 90-day volume-weighted average price of Siltronic's ordinary shares prior to the public disclosure of advanced discussions between GlobalWafers and Siltronic, and a 10% premium to the closing price of Siltronic's ordinary shares as of November 27, 2020, Siltronic's last trading day prior to public disclosure.

Wacker Chemie AG, which currently holds approximately 30.8 percent of Siltronic's shares, has entered into a binding agreement (Irrevocable Undertaking) with GlobalWafers and will tender its entire Siltronic shares as part of the Tender Offer. The minimum acceptance threshold for the Tender Offer is 65 percent. The offer period is expected to begin in December 2020 and will last approximately five weeks.

Closing of the transaction is subject to customary closing conditions, including the achievement of the minimum acceptance threshold and merger control and foreign investment approvals. The parties expect to complete the transaction in the second half of 2021.

Siltronic will hold a conference call with analysts and investors in English on December 10, 2020 at 10:00 am (CET). This will be broadcast via the Internet. The audio webcast will be available live and on-demand on Siltronic's website. At 11.30 am (CET) there will be a call with the media (in German).

Important note

This press release does not constitute a statement by the Executive Board or Supervisory Board on the announced Tender Offer. The Executive Board and the Supervisory Board will issue a reasoned statement pursuant to Section 27 WpÜG after publication of the offer document. Shareholders are advised to read the statement in full before making their decision to accept or reject the Tender Offer. The offer document is solely binding for the Tender Offer itself.

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Company profile:

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner to many leading semiconductor companies. The company operates production sites in Asia, Europe and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers form the basis for modern microelectronics and nanoelectronics and are a key component in semiconductor chips driving computers, smartphones, navigation systems and many other applications. Siltronic AG employs around 3,600 people and is a stock-listed company in Germany (Prime Standard). Siltronic shares are included in the MDAX and TecDAX.

Disclaimer

This press release contains forward-looking statements based on assumptions and estimates made by the Executive Board of Siltronic AG. These statements can be identified by wording such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", and "will" or similar terms. Although we assume that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. These assumptions may contain risks and uncertainties that could cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include changes in the macroeconomic and business environment, changes in exchange rates and interest rates, the introduction of products that compete with our own products, a lack of acceptance of new products or services, and changes in corporate strategy. Siltronic does not intend to update these forward-looking statements, nor does it assume any responsibility to do so.

This press release includes supplementary financial indicators that either are or may be so-called alternative performance indicators that are not clearly defined in the relevant financial reporting framework. In assessing the financial position and performance of Siltronic, these supplementary financial indicators should not be used in isolation or as an alternative to those presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies that present or report alternative performance indicators with similar names may calculate them differently. Explanations of the key financial figures used are available in the Annual Report of Siltronic AG.

Due to rounding, some of the figures presented in this press release as well as in other reports may not add up exactly to the stated totals and percentages presented may not accurately reflect the absolute values to which they relate.