

Press Release

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Siltronic decides on greenfield investment at its site in Singapore

Germany, Munich, July 27, 2021 – Siltronic has decided to build a second 300 mm fab at its site in Singapore to support the strong demand of the tight semiconductor market. The project will support the strong market demand and expansion projects of important customers that cannot be served with current capacities. It is planned to secure the utilization of a large part of the new capacities through long-term agreements with prepayments.

"Demand is increasing in all end markets. This trend is expected to continue and will promote further growth of our company. We support the expansion projects of important customers, which cannot be served with existing capacities by adding a new leading-edge and cost-efficient 300 mm fab in Singapore. Negotiations with customers about long-term agreements are progressing well", said Dr. Christoph von Plotho, CEO of Siltronic AG.

Based on current planning Siltronic expects capex for this project to be around EUR 2 billion until the end of 2024. The project will be financed in particular by existing liquidity and free cash flow as well as customer prepayments, debt and - if required - equity measures.

Based on the good cooperation with the Economic Development Board in Singapore the study phase was finished quickly and construction of the new fab is planned to start already in 2021.

Furthermore, Siltronic decided to expand crystal pulling and epitaxy capacities at its German site in Freiberg.

With these investments Siltronic's central R&D hub in Burghausen, providing technological support for the planned expansions, will be further strengthened.

Due to the expansion projects, capex is expected to raise from EUR 250 million to around EUR 400 million in 2021. Net cash flow will decline compared to 2020 but it will stay slightly positive.

"With the decision to invest in a cost-efficient fab, we are setting the course for Siltronic AG's continued successful future. With the new leading-edge production capacities, we will further strengthen our position as one of the technology leaders," says von Plotho.

After regulatory clearances have already been granted in various jurisdictions, GlobalWafers and Siltronic expect the voluntary public tender offer by GlobalWafers to be completed as planned in H2 2021 after receiving the pending approvals.

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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 3,900 people and is a stock-listed company in Germany (Prime Standard). Siltronic shares are included in the SDAX and TecDAX.