

Disclosures on the consolidated statement of income and the consolidated statement of financial position

01 Revenues from contracts with customers

Revenues from sales comprise those from contracts with customers and those from other sources:

Breakdown of revenues

€ million	2025	2024
Revenues from contracts with customers		
Proceeds from deliveries of products and merchandise	5,332.4	5,549.7
Proceeds from other services	143.6	165.9
Total revenues from contracts with customers	5,476.0	5,715.6
Other revenues	9.3	6.2
Total revenues	5,485.3	5,721.8

WACKER generally recognizes its sales on a specific delivery date. WACKER's customary business model is to sell chemical products on the basis of binding individual orders from customers with or without framework agreements. Customer orders usually result in a specific performance obligation, which is satisfied at a point in time. Revenue is recognized when economic control has been transferred to the customer in accordance with Incoterms. In the Polysilicon division, there are also medium and long-term supply contracts featuring a predefined contractual volume and advance payments. Here, too, sales are recognized at a point in time.

In the case of customer-specific orders at Biosolutions, sales are recognized over time. Among other things, its business model entails providing development services to the pharmaceutical industry under service contracts that are fulfilled and documented using milestones. The division also manufactures customer-specific products in connection with supply contracts for pharmaceutical intermediates. Both the output and the input method are used to measure progress. Revenue for contracts that largely relate to development services is calculated based on the value of the finalized milestones. Revenue from the production of intermediates is calculated based on the ratio of the costs incurred to the total expected costs. Each of these methods is based on directly observable and reliable parameters and was considered suitable for adequately assessing the outcome of service provision. In certain cases, customers make advance payments before a product is delivered or provision of a service commences. The Biosolutions division also concludes medium-term supply contracts. A small amount of license income is generated from licensing process expertise.

No long-term payment terms exist that could qualify as a financing component. As a general rule, payment is due within 30 to 120 days. Deliveries to customers with poor credit ratings are contingent upon advance payment or provision of a bank guarantee. The statutory warranty obligations for quality defects apply at WACKER, and exact specifications are defined in framework agreements with customers.

The "Other" segment generates sales from the supply of media (largely electricity, gas and steam) to, and from the administration of, chemical-industry parks on behalf of third-party companies, particularly at the site in Burghausen, Germany. This segment also generates revenue from the sale of salt and from the backfill business. Revenue is recognized at the time of delivery for the supply of industrial gases and refrigerants, the supply of salt and the backfill business.

At WACKER, sales per segment corresponds to the Group's different product categories. The differences between chemical products, and also between market and customer groups, are evident in the segments. The particular region to which WACKER supplies its products also has a major impact on sales. The following table shows the breakdown of revenues:

Breakdown of revenues

€ million	Silicones		Polymers		Biosolutions		Polysilicon		Other/ consolidation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue by region												
Europe	1,188.3	1,188.6	570.6	593.1	192.0	176.3	138.7	126.1	130.3	129.0	2,219.9	2,213.1
The Americas	488.3	498.6	414.7	444.7	91.2	96.9	21.7	26.1	–	–	1,015.9	1,066.3
Asia	875.3	917.6	263.1	307.5	69.2	92.1	708.2	797.0	–	–	1,915.8	2,114.2
Other regions	181.3	200.5	130.1	118.0	8.0	9.6	14.3	–	–	0.1	333.7	328.2
Total	2,733.2	2,805.3	1,378.5	1,463.3	360.4	374.9	882.9	949.2	130.3	129.1	5,485.3	5,721.8
Revenues outside of IFRS 15												
	0.7	0.6	–	–	0.9	–	–	–	7.7	5.6	9.3	6.2
Time of revenue recognition												
Point in time	2,733.2	2,805.3	1,378.5	1,463.3	227.4	237.6	882.9	949.2	130.3	129.1	5,352.3	5,584.5
Over time	–	–	–	–	133.0	137.3	–	–	–	–	133.0	137.3
Total	2,733.2	2,805.3	1,378.5	1,463.3	360.4	374.9	882.9	949.2	130.3	129.1	5,485.3	5,721.8

Trade receivables mainly comprise receivables from contracts with customers.

» See Note 10.

The sales contract liabilities reported in WACKER's statement of financial position include customer advance payments on polysilicon deliveries, customer advance payments in the Biosolutions segment and customer advance payments for infrastructure projects in the chemical-industry parks in WACKER's "Other" segment. In the Polysilicon segment, a fixed portion of the advance payment received is realized as revenue every time polysilicon is delivered to the customer, reducing the liability. In Biosolutions, customer advance payments are recognized as revenue based on selected measures of progress over time. Sales shown in the "Other" segment are realized from orders within the term of medium- or long-term customer contracts.

The advance payments received are mainly customer advance payments on polysilicon deliveries with a term of up to eight years. In addition, discount accruals are recognized as contract liabilities. Discount accruals are contractually agreed discounts that are granted when certain thresholds are exceeded and that reduce sales in the following period. These accruals are estimated on the basis of past experience and usually settled in the following period at the latest.

Development of contract liabilities

€ million	Advance payments received	Discount accruals	Total
As of Jan. 1, 2025	277.0	23.3	300.3
Revenues recognized as advance payments in prior period	-56.8	-	-56.8
Revenues less discounts	-	9.4	9.4
Reversals recognized in income	-3.4	-1.2	-4.6
Cash receipts (+)	75.7	-	75.7
Revenues recognized in 2025 from cash receipts (-)	-38.4	-	-38.4
Cash payments (-)	-	-18.4	-18.4
Exchange-rate differences	-0.2	-0.3	-0.5
Change in the scope of consolidation	-	-	-
As of Dec. 31, 2025	253.9	12.8	266.7

€ million	Advance payments received	Discount accruals	Total
As of Jan. 1, 2024	305.1	11.6	316.7
Revenues recognized as advance payments in prior period	-78.6	-	-78.6
Revenues less discounts	-	20.3	20.3
Reversals recognized in income	-2.6	-2.0	-4.6
Cash receipts (+)	125.8	-	125.8
Revenues recognized in 2024 from cash receipts (-)	-72.7	-	-72.7
Cash payments (-)	-	-6.9	-6.9
Exchange-rate differences	-	0.2	0.2
Change in the scope of consolidation	-	0.1	0.1
As of Dec. 31, 2024	277.0	23.3	300.3

Contract assets were recognized in the amount of €3.1 million (prior year: €4.5 million).

Under multi-year framework agreements, WACKER guarantees some customers the availability of specific quantities per year. Generally, the actual quantities and prices are only fixed for a maximum period of one year and are agreed in detailed negotiations that take place during the year. Minimum purchase quantities result in future performance obligations (orders on hand) with terms as shown in the following table:

Orders on hand

€ million	Dec. 31, 2025	Dec. 31, 2024
Up to 2 years	2,107.5	2,417.7
Over 2 years to 3 years	843.4	1,044.5
Over 3 years to 4 years	643.6	806.9
Over 4 years to 5 years	436.7	574.5
Over 5 years	630.3	824.7
Total orders on hand	4,661.5	5,668.3

02 Cost of goods sold / other operating income / other operating expenses

€ million	2025	2024
Cost of goods sold	-4,828.0	-4,735.1
Cost of goods sold includes the following reversals (+) / recognitions (-) of valuation allowances on inventories	-38.7	-37.6
Other operating income		
Income from currency transactions	65.8	63.2
Income from reversal of provisions	6.6	6.5
Insurance compensation	13.0	0.5
Income from reversal of valuation allowances on trade receivables	2.2	9.6
Income from disposal of property, plant and equipment and financial assets	1.1	0.5
Income from incentives/grants	5.3	8.3
Income from the termination of long-term supply contracts/damages	7.2	15.4
Other operating income	32.9	31.7
Total	134.1	135.7
Other operating expenses		
Losses from currency transactions	-65.9	-59.3
Losses from valuation allowances on trade receivables	-1.1	-6.5
Losses from disposal of assets	-11.8	-9.3
impairment charges	-102.3	-10.0
Other operating expenses	-19.6	-13.2
Total	-200.7	-98.3

The functional costs included depreciation and amortization of €504.1 million (prior year: €462.7 million). In 2025, impairment losses in the amount of €102.3 million (previous year: €10.0 million). These mainly result from the impairment of goodwill in the Biosolutions division in the amount of €89.1 million and the impairment of individual production facilities. Expenses for production facilities are generally allocated to production costs. In the previous year, intangible assets of €10.0 million were impaired.

Of the total restructuring expenses of €102.6 million, €90.2 million were incurred in terms of the cost of goods sold and €12.4 million in the area of administration.

The cost of goods sold includes government grants in connection with legally valid notices for energy subsidies in the amount of €170.4 million (previous year: €181.7 million). The grants were awarded for expenses in the previous year. In addition, subsidies of €18.9 million (previous year: €30.7 million) received under the US Inflation Reduction Act for polysilicon manufactured in the USA have been included in the cost of goods sold.

03 Financial result

€ million	2025	2024
Result from investments in joint ventures and associates	-334.7	19.1
Of which impairment losses	-307.8	-
Of which income from disposal	-	3.3
Of which share of income from associates	-26.9	15.8
Other investment income	5.0	0.1
Other investment expenses	-	-
Total	-329.7	19.2
Net interest income		
Interest income	28.5	41.4
Of which from financial instruments (FVOCI)	0.1	0.1
Of which from financial instruments (amortized cost)	26.3	40.9
Interest expenses	-63.4	-45.6
Of which from financing liabilities (excluding leases)	-54.4	-41.7
Total	-34.9	-4.2
Other financial result		
Other financial income	94.1	64.5
Other financial expenses	-128.1	-92.0
Of which interest effect of interest-bearing provisions/liabilities	-27.9	-30.5
Total	-34.0	-27.5

Income from investments in associates relates to the investment in Siltronic AG and a company in Asia. It comprises not only the prorated net income for the year, but also the effects of the elimination of prorated interim profits and losses, the effects of remeasurement gains/losses and other Group adjustments. The pro rata net income for the year of Siltronic AG amounts to €-28.7 million (2024: €12.7 million). As of December 31, 2025, this also resulted in an impairment loss on the equity-accounted investment in Siltronic AG in the amount of €307.8 million. In the previous year, the stake in WACKER Dymatic Silicones (Shunde) Co., Ltd., Foshan, China, was sold to the joint-venture partner. This generated proceeds from disposal of €3.3 million.

Borrowing costs of €2.5 million were capitalized in the reporting period (prior year: €6.7 million), resulting in a corresponding improvement in the net interest result. The annual average borrowing interest rate applied by the Group in the reporting year was 3.4 percent (prior year: 3.2 percent).

The interest effect of interest-bearing provisions includes net interest expenses from the unwinding of discounted pension obligations and calculated returns from plan assets totaling €20.3 million (prior year: €24.4 million), and net interest expenses from the discounting of provisions and unwinding of discounted provisions in the amount of €5.6 million (prior year: €6.1 million).

Other financial income and expenses resulted primarily from interest-rate effects in connection with financial transactions and their hedging, the effects of remeasurement gains/losses from securities, and interest on tax positions.

04 Income taxes

This item comprises income taxes paid or owed in the individual countries as well as deferred taxes. In Germany, in addition to a corporate tax of 15.0 percent (prior year: 15.0 percent), a solidarity surcharge of 5.5 percent applies (prior year: 5.5 percent). Trade income tax of 13.0 percent (prior year: 13.0 percent) must also be paid. It varies depending on the municipality in which a company is located.

The combined current tax rate is 28.8 percent (previous year: 28.8 percent) for 2025. Due to the annual corporate tax reduction of 1 percentage point each year from 2028 to 2032, the combined deferred tax rates to be applied for Germany are between 23.6 percent and 28.8 percent, depending on the future reversal of temporary differences and loss carryforwards. The current taxes of foreign subsidiaries are determined in accordance with domestic tax laws and rates valid in the country in which the respective company is based. The respective current and deferred income tax rates applied in each country for our foreign companies ranged from 9.0 percent to 35.0 percent (versus 9.0 percent to 35.0 percent).

Deferred taxes on undistributed profits of subsidiaries were recognized only where distribution is planned. The amount of €597.5 million is available for distribution (prior year: €778.1 million). WACKER did not recognize a deferred tax liability of €7.0 million (prior year: €11.2 million not recognized) for the resultant temporary difference of €29.9 million (prior year: €38.9 million), as it is able to control the timing and no distributions are planned in the foreseeable future.

Income taxes include current tax expenses from previous years amounting to €1.0 million (previous year: €1.9 million) and current tax income from previous years amounting to €15.5 million (previous year: €14.7 million). Deferred tax expenses for previous years amounted to €0.6 million (previous year: €0.0 million) and deferred tax income for previous years amounted to €0.1 million (previous year: €5.4 million).

Reconciliation of actual tax result

€ million	2025	2024
Current taxes, Germany	6.7	-23.8
Current taxes, international	-29.7	-36.4
Current taxes	-23.0	-60.2
Deferred taxes, Germany	-181.5	30.1
Deferred taxes, international	-22.1	32.4
Deferred taxes	-203.6	62.5
Income taxes	-226.6	2.3
Derivation of the effective tax rate		
Income before taxes	-578.3	258.4
Income tax rate for Wacker Chemie AG (%)	28.8	28.8
Expected tax income/expenses	166.6	-74.4
Tax rate divergences	-3.8	12.1
Tax effect of non-deductible expenses	-24.7	-19.8
Tax effect of tax-free income	4.4	4.8
Taxes relating to other periods (current result)	14.0	18.2
Change in the utilization of deferred tax assets on loss carryforwards and tax credits	-125.5	13.0
Change in the utilization of deferred tax assets on temporary differences	-160.9	43.8
Group profit from investments in joint ventures and associates	-96.7	4.6
Other differences	-	-
Total income tax	-226.6	2.3
Effective tax rate (%)	-39.2	-0.9

The deferred tax expense of €203.6 million in the current financial year (previous year: income of €62.5 million) is mainly the result of a valuation adjustment on deferred tax assets in Germany. The deferred tax expense for Germany amounted to €181.5 million for the whole of 2025. This includes a deferred tax expense of €165.5 million from valuation adjustments and a deferred tax expense of €16.0 million from tax rate-related changes. Outside of Germany, deferred tax assets were recognized in Brazil. The deferred tax expense from this amounted to €4.2 million. The deferred tax income in the previous year in the amount of €30.1 million resulted from previously unrecognized deferred tax assets at the US subsidiaries.

Allocation of deferred taxes

€ million	2025		2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	4.7	15.3	8.2	19.6
Property, plant and equipment	46.2	45.5	72.7	38.2
Other financial assets	2.1	19.4	8.3	12.8
Right-of-use assets	–	63.9	–	68.5
Sundry assets	55.9	20.8	128.0	21.8
Provisions for pensions	1.7	29.8	14.3	9.1
Other provisions	14.3	7.0	30.0	5.2
Lease liabilities	49.2	–	80.4	–
Other liabilities	48.7	32.9	105.1	38.9
Loss carryforwards/tax credits	15.1	–	13.4	–
Setting off for companies with group taxation	–3.5	–3.5	–12.8	–12.8
Total	234.4	231.1	447.6	201.3
Setoffs	–210.1	–210.1	–177.1	–177.1
Amount recorded in statement of financial position	24.3	21.0	270.5	24.2

The balance of deferred tax assets and liabilities decreased by €243 million in 2025 (prior year: increase of €27.4 million). Of this amount, €203.6 million was recorded as an expense (prior year: income of €62.5 million), while expense of €39.4 million (prior year: expense of €33.3 million) was recognized directly as changes in the other equity items.

The amounts recognized in other equity items primarily comprise deferred tax expenses from variations in actuarial gains and losses stemming from provisions for pensions in the amount of €33.3 million (prior year: expense of €34.9 million). Other deferred tax expenses not recognized in the income statement result from securities in the amount of €0.4 million (prior year: expense of €1.4 million). Deferred tax expenses not recognized in the income statement results from derivative financial instruments in the amount of €4.6 million (prior year: expense of €3.0 million).

The existing tax loss carryforwards could be utilized over the following periods:

€ million	2025	2024
Within 1 year	–	–
Within 2 years	–	–
Within 3 years	19.6	–
Within 4 years	0.7	24.3
Within 5 years or later	557.6	188.9
Total	577.9	213.2

The total loss carryforwards generated amounted to €577.9 million (prior year: €213.2 million). This includes tax losses of €535.5 million (prior year: €165.5 million) that are unlikely to be realized. No deferred taxes were recognized on part of the loss carryforwards. In theory, however, an amount of €128.5 million (prior year: €41.5 million) would be calculated. Of the loss carryforwards that are not realizable for tax purposes, the amount of €486.2 million (prior year: €133.6 million) is unlimited as to time and amount. As of the reporting date, an amount of €19.6 million was limited until December 31, 2028, €0.7 million until December 31, 2029, and €29.7 million until December 31, 2030. There are tax credits of €33.6 million (prior year:

€5.3 million), €29.0 million (prior year: €4.4 million) of which are unlikely to be realized. The tax credits are available for an indefinite period.

In 2025, no loss carryforwards were utilized for which no deferred tax assets had been previously recognized (prior year: €38.0 million). This reduced actual tax expenses by €9.3 million in the previous year. In 2025, valuation allowances of €2.4 million were recognized year over year for deferred taxes on loss carryforwards and tax credits (prior-year valuation allowance: €0.0 million). In 2025, there was no capitalization of loss carryforwards and tax credits (previous year: €6.7 million) that had not previously been recognized.

As of December 31, 2025, deferred tax assets were not recognized for tax-deductible temporary differences in the amount of €821.1 million (prior year: €249.0 million) as they were not considered to be recoverable. The increase is largely due to the non-recognition of temporary differences in Germany. In theory, there would have been deferred tax assets of €214.9 million (prior year: €55.4 million). In 2025, no deferred taxes on temporary differences that had still been impaired in the prior year (prior-year capitalization of €23.4 million) were capitalized.

As of December 31, 2025, deferred tax assets were recognized on temporary differences and tax loss carryforwards in the amount of €24.3 million (prior year: €270.5 million). They were not offset by a corresponding amount of deferred tax liabilities. WACKER assumes that future taxable income will be sufficient to realize these deferred tax assets.

The WACKER Group is covered by the OECD Global Anti-Base Erosion Model Rules for international minimum taxation, known as the Pillar Two rules. In 2023, the EU directive implementing the Pillar Two rules was transposed into German law in the form of the German Minimum Tax Act (*Mindeststeuergesetz*). Its provisions came into force on January 1, 2024, and may increase current income tax expense in the future. Tax effects resulting from the future application of the Pillar Two rules for global minimum taxation were not included when calculating the amounts recognized for deferred tax assets and liabilities.

Some subsidiaries of Wacker Chemie AG in foreign countries have lower tax rates than the rate of 15 percent set out in the Minimum Tax Act. In some countries, foreign subsidiaries also receive temporary tax rebates on investments, and may be subject to minimum taxation. Current income taxes of €0.2 million (previous year: €0.5 million) were incurred in connection with the Global Anti-Base Erosion Rules in 2025. The tax expense is included in the tax reconciliation under "Tax rate divergences".