NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA OR OTHERWISE FOR DISTRIBUTION OTHER THAN TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED—THIS OFFERING IS AVAILABLE ONLY TO ADDRESSEES OUTSIDE OF THE UNITED STATES, SUBJECT TO CERTAIN RESTRICTIONS

IMPORTANT: You must read the following before continuing. The following disclaimer applies to the attached preliminary prospectus (the "**Prospectus**"), whether accessed electronically or otherwise, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. IN PARTICULAR, ANY SECURITIES TO BE ISSUED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, CANADA, JAPAN, AUSTRALIA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION. YOU ARE NOT AUTHORIZED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED PROSPECTUS, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH PROSPECTUS IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OF AMERICA OR APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: By accessing the attached document you reconfirm your representation to Sika AG (the "**Issuer**"), UBS AG, Zürcher Kantonalbank and Credit Suisse AG (together, the "**Managers**") that (1) you are outside the United States of America, as defined in Regulation S under the U.S. Securities Act, not acting on behalf of a person within the United States of America and, to the extent you purchase the securities described in the attached Prospectus, you will be doing so in compliance with Regulation S under the U.S. Securities Act, that (2) the electronic mail (or e-mail) address to which the attached Prospectus has been delivered is not located in the United States of America, its territories and possessions, any State of the United States or the District of Columbia (where "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), and that (3) you consent to delivery of the attached Prospectus and any amendments or supplements thereto by electronic transmission.

The attached Prospectus has been made available to you in electronic form. You are reminded that documents transmitted via electronic means may be altered or changed during the process of transmission and consequently none of the Issuer, the Managers and their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling the Issuer, the Managers or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Prospectus distributed to you in electronic format and the hard copy version. If permitted by law, we will provide a hard copy version to you upon your request.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by any of the Managers or the Issuer that would or is intended to, permit a public offering of the securities, or possession or distribution of the Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Managers or such affiliate on behalf of the Issuer in such jurisdiction.

For other sales restrictions, see "*Important Information*" and "*Sales Restrictions*" in the Prospectus. You are reminded that you have accessed the attached Prospectus on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this Prospectus, electronically or otherwise, to any other person. If you have gained access to this Prospectus contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein. If you receive this Prospectus by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. If you receive this Prospectus by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

BUILDING TRUST

Sika AG

CHF 100,000,000 1.60 per cent. Bonds 2022 – 2024 ("Tranche A")
CHF 200,000,000 1.90 per cent. Bonds 2022 – 2025 ("Tranche B")
CHF 300,000,000 2.35 per cent. Bonds 2022 – 2028 ("Tranche C")

(Tranche A, Tranche B and Tranche C together, the "**Bonds**")

Issuer	Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland (the "**Issuer**" and together with its subsidiaries, the "**Group**")
Interest Rate	Tranche A: 1.60% per annum, payable annually in arrears on May 28, first interest payment on May 28, 2023 (short first coupon). Tranche B: 1.90% per annum, payable annually in arrears on November 28, first interest payment on November 28, 2023. Tranche C: 2.35% per annum, payable annually in arrears on November 28, first interest payment on November 28, 2023.
Issue Price	The Managers (as defined below) have purchased the Tranche A at the price of 100.067% of the aggregate nominal amount of the Bonds (before commissions and expenses), the Tranche B at the price of 100.036% of the aggregate nominal amount of the Bonds (before commissions and expenses) and the Tranche C at the price of 100.097% of the aggregate nominal amount of the Bonds (before commissions and expenses).
Placement Price	According to demand.
Issue Date	November 28, 2022 (for all three tranches).
Maturity Date	Tranche A May 28, 2024, redemption at par. Tranche B November 28, 2025, redemption at par. Tranche C November 28, 2028, redemption at par.
Early Redemption	At the option of the Issuer (i) in case of an Acquisition Event, at 101% of the principal amount (ii) clean-up call if 80% of the Bonds have been previously repurchased and cancelled, at par, and for Tranche B and Tranche C (iii) 3 months pre-maturity call, at par, all in accordance with the terms of the Bonds (the "**Terms of the Bonds**"). At the option of holders of the Bonds (the "**Bondholders**" and each a "**Bondholder**") in the event of a change of control, at par and in accordance with the respective Terms of the Bonds.
Reopening of the Issue	The Issuer reserves the right to reopen this issue according to the Terms of the Bonds.
Denomination	CHF 5,000 principal amount or multiples thereof.
Rating	The Issuer is rated A- (negative outlook) by Standard & Poor's. The Bonds are rated A- by Standard & Poor's.
Covenants	Pari Passu, Negative Pledge, Cross Default, Change of Control, all as further specified in the Terms of the Bonds.
Form of the Bonds	The Bonds will be issued as uncertificated securities (*einfache Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations ("**CO**") and registered in the main register (*Hauptregister*) with SIX SIS Ltd. ("**SIS**"). Once uncertificated securities are registered in the main register with SIS and entered into the accounts of one or more participants of SIS, the Bonds will constitute intermediated securities (*Bucheffeken*) within the meaning of the Swiss Intermediated Securities Act. Bondholders will not have the right to request conversion into or printing and physical delivery of individually certificated Bonds.
Sales Restrictions	**USA, United Kingdom, EEA and others. See "*Sales Restrictions*" in this Prospectus.**
Listing and Trading	Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange. The Bonds have been admitted to trading on the SIX Swiss Exchange with effect from November 24, 2022. The last trading day will be the second business day prior to the respective Maturity Date of the Bonds.
Governing Law / Jurisdiction	The Bonds are governed by, and construed in accordance with Swiss law. Place of jurisdiction for the Bonds and all related contractual documentation shall be the City of Zurich, Switzerland.
Swiss Security Number / ISIN / Common Code	Tranche A: 122.654.385 / CH1226543853 / 255396722 Tranche B: 122.654.386 / CH1226543861 / 255396501 Tranche C: 122.654.387 / CH1226543879 / 255354728

UBS Investment Bank **Zürcher Kantonalbank** **Credit Suisse**

Prospectus dated November 24, 2022

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act (*Finanzdienstleistungsgesetz*, the "**FinSA**") on 5 December 2022.

The Issuer is relying on article 51(2) FinSA as described on page ii of this Prospectus under "*Important Information*".

IMPORTANT INFORMATION

Prospective Bondholders are expressly advised that an investment in the Bonds entails financial risks. Investors should therefore carefully review the entire content of this Prospectus. For a description of certain further risks see "*Risk Factors*", beginning on page 7.

The Issuer is relying on article 51(2) of the Swiss Financial Services Act of June 15, 2018 (the "FinSA"). Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Bonds are hereby notified that this Prospectus (the "Prospectus") has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. The Prospectus will be submitted to SIX Exchange Regulation Ltd in its capacity as Swiss review body pursuant to article 52 of the FinSA (the "Review Body") for review only after completion of the offering of the Bonds.

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Bonds is correct as of any time subsequent the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer and the Managers to inform themselves about and to observe such restrictions.

This Prospectus may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or is unlawful. In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms and conditions of the Offering, including the merits and risks involved. Prospective investors should not construe anything in this Prospectus as legal, business or tax advice. Each prospective investors should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Bonds under applicable laws and regulations.

Further, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

The Bonds have not been and will not be registered under the U.S. Securities Act. The Bonds may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain further restrictions on offers and sales of Bonds and distribution of this Prospectus, see "*Sales Restrictions*", beginning on page vi.

All references in this document to "Swiss francs" and "CHF" are to the lawful currency of Switzerland.

The Managers

The Managers have not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer in connection with the Bonds.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Bonds. The

Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) that they might otherwise have in respect of this Prospectus or any such statement.

The Managers and certain of their respective affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer and its affiliates in the ordinary course of business for which they have received and will receive customary fees and reimbursement of expenses. More specifically, in relation to the MBCC Acquisition, the Managers (and certain of their affiliates) have entered into a committed bridge facility (which is currently not drawn) with the Issuer. The available commitment under such bridge facility will be automatically cancelled in an amount equal to the net proceeds of the Bonds.

Furthermore, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for their own account or for the account of their customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Availability of Documents

Copies of this Prospectus (or of the documents incorporated by reference; see "—*Documents Incorporated by Reference*" below) are available at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland (telephone: +41-44-239 47 03 (voicemail), fax +41-44-239 69 14 or by e-mail swiss-prospectus@ubs.com) or at Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland (telephone: +41 58 436 62 00, fax: +41 58 436 68 50 or e-mail: sikagroup@ch.sika.com) during regular business hours.

Copies of the Issuer's articles of association ("**Articles of Association**"), annual reports and financial statements can be downloaded from the Issuer's website (https://www.sika.com). Unless otherwise specified in "—*Documents Incorporated by Reference*" below, the contents of and documents available on the Issuer's website are not incorporated by reference into this Prospectus, and investors should not rely on it in making their decision to invest in the Bonds.

Documents Incorporated by Reference

The following documents are incorporated by reference into, and form an integral part of, this Prospectus:

- the Issuer's 2021 annual report (currently accessible at: https://www.sika.com/en/investors/reports-publications/financial-reports.html#annual);

- the Issuer's 2022 half-year report (currently accessible at: https://www.sika.com/en/investors/reports-publications/financial-reports.html#interim); and

- the Issuer's press release of October 21, 2022 with respect to its results for the nine months ended September 30, 2022 (currently accessible at: https://www.sika.com/content/dam/dms/corporate/media/glo-en-media-release-sika-9-months-21102022.pdf).

Prospectus

This Prospectus is available in English language only and provides information about the Issuer and the Bonds.

No person has been authorized to give any information or make any representation in connection with the offering of the Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorized by the Issuer or the Managers. Neither the delivery of this Prospectus, nor the issue of the Bonds nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer since the date hereof.

RESPONSIBILITY STATEMENT

Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland, as issuer of the Bonds assumes responsibility for the completeness and accuracy of the content of this Prospectus. The Issuer confirms that, to the best of its knowledge, the information in this Prospectus is correct and no material facts or circumstances have been omitted.

Baar, Switzerland, as of November 24, 2022 **Sika AG**

SALES RESTRICTIONS

The Issuer has represented and warranted that it has not made and will not make any application for listing of the Bonds on any exchange outside Switzerland.

The Offering consists of a public offering of Bonds in Switzerland and of private placements of Bonds to prospective Bondholders in certain jurisdictions outside of Switzerland, other than the United States or any other jurisdictions where an offering would be prohibited by applicable law. The Bonds are being offered outside the United States in compliance with Regulation S and in accordance with applicable securities laws.

No action has been or will be taken by the Issuer or the Managers that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction other than Switzerland where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

Each prospective Bondholder must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Bonds or possesses or distributes this Prospectus and must obtain any consent, approval or permission required for the purchase, offer or sale by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither the Issuer nor Managers shall have any responsibility therefor.

United States

The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has agreed that, except as permitted by the Bond Purchase Agreement (as defined below), it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each of the Issuer and the Managers represents and agrees that it has not made and will not make an offer of Bonds to the public in that Relevant Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than "**qualified investors**" as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Issuer and relevant bank or banks nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within article 1(4) of the Prospectus Regulation.

provided that no such offer of Bonds referred to in (i) to (iii) above shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

In relation to the United Kingdom (the "**UK**"), each Manager represents and agrees that it has not made and will not make an offer of Bonds to the public in the UK except that it may make an offer of such Bonds to the public in the UK at any time:

(i) to any legal entity that is a qualified investor as defined in the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Manager nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**"),

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression "**UK Prospectus Regulation**" means the Prospectus Regulation as it forms a part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**").

Each Manager represents and agrees that:

(i) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and

(ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer.

Other Jurisdictions

Neither the Issuer nor the Managers represent that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution of the Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. The Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Bonds or the distribution of the Prospectus in any jurisdiction where action for that purpose is required.

FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the current prospects, expectations, estimates, plans, strategic aims, vision statements, and projections of the Issuer and are based on information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of the Issuer to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Terms and phrases such as "will", "believe", "expect", "anticipate", "intend", "plan", "predict", "estimate", "project", "target", "assume", "may" and "could", and variations of these words and similar expressions, are intended to identify prospects and/or other forward-looking statements but are not the exclusive means of identifying such prospects and other statements.

The Issuer, in reliance on article 69(3) FinSA, hereby cautions you that any such prospects, expectations, estimates, plans, strategic aims, vision statements, and projections contained or incorporated by reference in this Prospectus are not historical in nature but are forward-looking based on information and assumptions the Issuer considers to be reasonable. Such statements are inherently uncertain and subject to a variety of circumstances, many of which are beyond the Issuer's control and could cause actual results to differ materially from what the Issuer anticipates. Due to the uncertainty of future developments, to the fullest extent permitted by applicable law, neither the Issuer nor the Managers assume any liability in respect to or in connection with such prospects or other forward-looking statements contained or incorporated by reference herein.

Except as required by the FinSA or other applicable securities laws, neither the Issuer nor the Managers undertake an obligation to update any prospects or forward-looking statements after the date hereof, even if new information, future events or other circumstances have made them incorrect or misleading.

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SUMMARY

The following summary is not intended to be complete and is to be understood as an introduction to the Prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus. This summary to be read together with the more detailed information set out elsewhere in this Prospectus. In particular, investors should consult the sections "*Information on the Offering*" and "*The Issuer and its Business*", and should carefully consider the information presented in the section titled "*Risk Factors*" before making an investment decision.

Any investment decision should be based on the entirety of the information laid out in this Prospectus and not merely on this summary.

Prospective investors should take note that the Issuer's liability for the information contained in this summary is limited to instances where such information is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Information on the Issuer

Company name	Sika AG
Legal Form	Corporation (*Aktiengesellschaft*) organized under the laws of Switzerland
Registered Office	Zugerstrasse 50, 6340 Baar, Switzerland
Register, register number	The Issuer is registered with the Commercial Register of the Canton of Zug under the company number CHE-106.919.184.
Legal Entity Identifier (LEI)	549300R3N69ECGYPU434
Auditors	KPMG AG, Badenerstrasse 172, 8004 Zurich (CHE-106.084.881) The Issuer's auditors are supervised by and registered with the Swiss Federal Audit Oversight Authority ("**FAOA**") (*Eidgenössische Revisionsaufsichtsbehörde, RAB*). The auditors' FAOA register number is 501403.
Business activities	Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing and protecting in the building sector and motor vehicle industry. Sika has subsidiaries in over 100 countries around the world and manufactures in over 300 factories.

Information on the Bonds

The following is a summary of the key terms of the Bonds. The summary is not exhaustive and potential investors should carefully read the terms and conditions of the Bonds as set out in the section entitled "*Terms of the Bonds*".

Type of financial instrument	Bonds / Senior, unsecured.
Issue size	Tranche A: CHF 100,000,000 Tranche B: CHF 200,000,000 Tranche C: CHF 300,000,000

Interest rate	The Bonds of Tranche A bear interest at a fixed rate of 1.60% p.a., payable annually in arrears on May 28 of each year, first interest payment on May 28, 2023 (short first coupon). The Bonds of Tranche B bear interest at a fixed rate of 1.90% p.a., payable annually in arrears on November 28 of each year, first interest payment on November 28, 2023. The Bonds of Tranche C bear interest at a fixed rate of 2.35% p.a., payable annually in arrears on November 28 of each year, first interest payment on November 28, 2023.
Issue Date	November 28, 2022 (for all three tranches)
Maturity Date	Tranche A: May 28, 2024 Tranche B: November 28, 2025 Tranche C: November 28, 2028
Early Redemption	***Acquisition Event:*** If an Acquisition Event occurs, the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Bonds at 101 per cent. of their principal amount, and in accordance with the Terms of the Bonds. ***Pre-Maturity Call****:* The Issuer may, at any time from (and including) 3 months prior to maturity to (but excluding) the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Bondholders redeem all, but not some only, of the Bonds at their principal amount together with interest accrued to but excluding the Pre-Maturity Optional Redemption Date (as defined in the Terms of the Bonds of Tranche B and Tranche C). ***Clean-up Call:*** At the option of the Issuer if 80 % of the Bonds have been previously repurchased and cancelled, at par and in accordance with the Terms of the Bonds. ***Change of Control Put:*** At the option of the Bondholders in the event of a change of control, at par and in accordance with the Terms of the Bonds.
Denomination	CHF 5,000 or multiples thereof
Rating	The Issuer is rated A- (negative outlook) by Standard & Poor's. The Bonds are rated A- by Standard & Poor's.
Covenants	Pari Passu, Negative Pledge, Cross Default, Change of Control, all as further specified in the Terms of the Bonds.
Issuer of Substitution	Subject to the requirements specified in condition 12 (*Substitution of the Issuer*) of the respective Terms of the Bonds.
Form of the Bonds	The Bonds will be issued as uncertificated securities (*einfache Wertrechte*) in accordance with article 973c CO and registered in the main register (*Hauptregister*) with SIS. Once uncertificated securities are registered in the main register with SIS and entered into the accounts of one or more participants of SIS, the Bonds will constitute intermediated securities (*Bucheffeken*) within the meaning of the Swiss Intermediated Securities Act. Bondholders will not have the right to

	request conversion into or printing and physical delivery of individually certificated Bonds.
Reopening of the Issue	The Issuer reserves the right to reopen this issue according to the Terms of the Bonds.
Notices	Notices to Bondholders with respect to the Bonds are validly made by electronic publication on the website of the SIX Exchange Regulation Ltd. (currently at: <https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/>).
Governing Law / Jurisdiction	The Bonds are governed by, and construed in accordance with Swiss law. Place of jurisdiction for the Bonds and all related contractual documentation shall be the City of Zurich, Switzerland.
Swiss Security Number	Tranche A: 122.654.385 Tranche B: 122.654.386 Tranche C: 122.654.387
ISIN	Tranche A: CH1226543853 Tranche B: CH1226543861 Tranche C: CH1226543879
Common Code	Tranche A: 255396722 Tranche B: 255396501 Tranche C: 255354728
Principal Paying Agent	UBS AG

Information on the Offering and the Listing

Offering	The Bonds will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.
Managers	UBS Investment Bank, Zürcher Kantonalbank, and Credit Suisse AG
Issue Price	Tranche A: 100.067% of the aggregate nominal amount of the Bonds (before commissions) Tranche B: 100.036% of the aggregate nominal amount of the Bonds (before commissions) Tranche C: 100.097% of the aggregate nominal amount of the Bonds (before commissions)
Placement Price	According to demand.
Net Proceeds / Use of Proceeds	It is currently expected that the Issuer will use the expected net proceeds from the Offering, net of estimated commissions, fees from advisors and banks as well as other expenses related to the offering, amounting to approximately CHF 99,860,000 (Tranche A), CHF 199,608,000 (Tranche B) and CHF 299,395,000 (Tranche C) for (i) the financing of its acquisition of the MBCC Group, and (ii) general corporate purposes.
Sales Restrictions	USA, United Kingdom, EEA and others.

Listing and Trading	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of November 24, 2022. The last trading date will be the second business day prior to the respective Maturity Date Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.
Listing Agent	UBS AG
Approval of Prospectus	**The Issuer is relying on article 51(2) of the FinSA. Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Bonds are hereby notified that this Prospectus has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. The Prospectus will be submitted to the Review Body for review only after completion of the offering of the Bonds.** This Prospectus is dated November 24, 2022, and has been approved by the Swiss Review Body on the date appearing on the cover page of this Prospectus. This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of the approval by the Swiss Review Body.

Summary of Risk Factors

The following is a summary of the risk factors. Potential investors should read the section entitled "*Risk Factors*" in this Prospectus for a more detailed description of the risks associated with an investment in the Bonds.

Risks Relating to the Sika Group

- Adverse global economic conditions, including increasing energy prices, could have an adverse effect on the Group's business.
- The Group is subject to macroeconomic and industry risks.
- Disruptions in the Group's supply chain may adversely affect the Group's financial performance.
- The Group depends on third-party suppliers for the procurement of raw materials for its manufacturing processes.
- The Group is exposed to fluctuating raw material prices.
- The Group is subject to risks associated with its international operations, including risks related to armed conflicts.
- The Group is exposed to the risk of changes in foreign exchange rates.
- The Group may face customer credit risk.
- The Group's growth depends in part on the timely development and commercialization, and customer acceptance, of new and improved products based on technological innovation.
- Digitalization transforms impacts the Group's business and its products and services. Failure to adapt to the digital transformation or failure to seize opportunities in digitalization may adversely impact the Group's results of operations and prospects.

- The Group may not be able to protect its intellectual property, including its proprietary technology, which could harm the Group's business and competitive position.

- Assertions by third parties of infringement of their intellectual property rights may result in damage claims and litigation costs, may force the Group to modify its products or processes or prevent the Group from selling its products.

- The Group is subject to risks arising from legal disputes, including contractual claims and product liability claims relating to product defects.

- The Group's operations and products expose it to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect its business, results of operation, reputation and financial condition.

- The Group is subject to risks related to climate change.

- Failure to successfully manage environmental, social and governance matters may have an adverse impact on the Group's business.

- Legal and regulatory changes in the jurisdictions in which the Group operates and trades may have an adverse effect on the Group.

- The Group is subject to a wide range of local and international laws and regulations, including those relating to competition law, corruption, sanctions and fraud across many of the jurisdictions within which the Group operates and the Group is therefore exposed to changes in those laws and regulations and to the outcome of any investigations conducted by governmental, international or other regulatory authorities.

- Tax legislation initiatives or challenges to the Group's tax positions could adversely affect its business, results of operations, financial condition and prospects.

- A downgrade by a rating agency could lead to increased borrowing costs and credit stress.

- The Group is dependent on a limited number of key members of its management and its ability to attract and retain qualified employees.

- The Group has engaged in acquisitions of businesses, real estate, companies and equity interests in companies in the past, and the Group may engage in acquisitions or divestitures in the future, and there can be no assurance that such acquisitions or divestitures will yield the desired results.

- The Group is subject to risks associated with goodwill and impairment of property, plant and equipment and intangible assets.

- The Group relies on the proper functioning of its computer and data processing systems, and a large-scale malfunction to critical and sensitive information could result in disruptions to the Group's business.

- Computer malware, viruses, ransomware, hacking, phishing attacks and other malfunctions or attacks causing an inter- or disruption, or failure of the Group's information technology or network and communication systems could result in security and privacy breaches and interruption in service, which could harm the Group's business, financial condition, results of operations and prospects.

- The Group's insurance coverage may be insufficient or unavailable.

- The Group's actual performance may differ materially from the long-term financial targets.

Risks relating to the MBCC Group Acquisition

- There can be no assurance that the MBCC Acquisition will yield the desired results.
- The Group may not be able to complete the MBCC Acquisition on a timely basis or at all, and regulatory authorities may impose conditions on the Group or the MBCC Group that could prevent the Group from achieving some of the expected benefits and realizing the anticipated synergies of the Acquisition.

Risks Relating to the Bonds and the Markets

- The Issuer is a holding company and Holders are structurally subordinated to the creditors of the Issuer's subsidiaries.
- The Issuer can incur additional debt.
- There is no prior market for the Bonds.
- The market for and price of the Bonds may be volatile.
- The Bonds may be redeemed prior to maturity.
- Investors in the Bonds may be subject to exchange rate risks and exchange controls.
- Investors in the Bonds may be subject to interest rate risks.
- The Issuer may, without consent of the Holders, substitute a subsidiary as issuer under the Bonds.
- The credit rating of the Bonds may not reflect all risks.
- A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Issuer could cause the liquidity or market value of the Bonds to decline.
- The Bondholders rights and remedies may be affected by changes of law.
- In certain instances Bondholders may be bound by certain amendments to the Bonds to which they did not consent.
- The Bonds may not be a suitable investment for all potential investors.
- Legal investment considerations may restrict certain investments.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Accordingly, prospective Bondholders should carefully read and consider the risks and uncertainties described below together with all other information in the entire Prospectus, including the audited consolidated financial statements of Sika AG for the years ended December 31, 2021 and 2020 and the notes thereto as well as the unaudited interim consolidated financial statements of Sika AG for the six months period ended on June 30, 2022.

The following is a disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. Prospective Bondholders should consider these risk factors and consult with their own professional advisors before deciding to purchase Bonds. The risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the individual requirements, objectives, experience, knowledge and circumstances of each prospective Bondholder. In addition, prospective Bondholders should be aware that the risks described may combine and thus intensify. In any such case, the market price of the Bonds may be materially adversely affected and an investor could lose all or part of its original investment. Investment decisions should not be made solely on the basis of the risk warnings set out below, since such risk information does not purport to be an extensive and comprehensive list of all possible risks associated with an investment in the Bonds. Accordingly, the risks described below are not the only ones the Sika Group faces. The inability of the Issuer to pay interest, principal or other amounts in connection with any Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive.

Additional investment considerations not currently known or which are currently deemed immaterial may also impair the Sika Group's business operations. The business, results of operations, financial condition or prospects of the Sika Group could be materially adversely affected by any of these risks as well as by the risks below.

Risks Relating to the Sika Group

Adverse global economic conditions, including increasing energy prices, could have an adverse effect on the Group's business.

In recent months a number of factors, including continued global supply chain disruptions, local lockdowns due to the COVID-19 pandemic (such as the recent lockdowns in China resulting in closures and significant delays at major ports), rapidly increasing prices for energy, including as a result of the war in Ukraine (see "—*The Group is subject to risks associated with its international operations, including risks related to armed conflicts*."), and overall higher levels of inflation, have resulted in a material deterioration of the conditions for the global economy. Any or all of these factors, or other consequences of the continuation, or worsening, of domestic and global economic conditions, which cannot currently be predicted, could adversely affect the Group's businesses, results of operations, financial condition and liquidity.

Moreover, certain of the above-mentioned factors directly or indirectly affect Sika and its business operations, including global supply chain disruptions and shortages of raw materials (see "—*Disruptions in the Group's supply chain may adversely affect the Group's financial performance.*") or increasing prices for raw materials (including as a result of higher prices for energy required to extract such raw materials). Moreover, while direct energy consumption currently only represents a small cost block for the Group, more than half of the energy used in the Group's direct operations stems from the conversion of primary energy (such as natural gas or fuel for vehicles), prices for which have significantly increased over the recent months, including as a result of the war in Ukraine and sanctions imposed in connection therewith. Such increasing prices for energy may directly or indirectly (for example through higher prices for raw materials) adversely affect the Group's results of operations and margins.

The Group is subject to macroeconomic and industry risks.

A significant portion of the Group's revenues depends on the level of investment in the construction market, which generally follows a certain cyclical nature of economic activity. Moreover, a part of Sika's Global Business market segment relates to business activities in the automotive sector. The automotive industry experienced major bottlenecks in the electronic parts supply chain, which in 2020 resulted in a decline in the volume of new vehicles manufactured compared with the previous year due to the lack of availability of semiconductors, but slightly recovered in 2021. Consequently and despite the Group's efforts to geographically diversify its operations, the Group's earnings are sensitive to the economic conditions of the geographic zones and/or specific industries in which the Group operates. A deterioration in the global economic environment and in financial market conditions could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Disruptions in the Group's supply chain may adversely affect the Group's financial performance.

The Group's business depends on reliable and effective supply chain management for materials and components. Capacity constraints and supply shortages resulting from external factors (such as the effects from the COVID-19 pandemic) or ineffective supply chain management may lead to production bottlenecks, delivery delays and additional costs. Moreover, the Group also relies on third parties to supply it with raw materials (see "—*The Group depends on third-party suppliers for the procurement of raw materials for its manufacturing processes.*").

Although the Group manages its supply through a coordinated group-wide procurement process, there can be no assurance that the Group will not encounter supply problems in the future. Moreover, any supply chain disruptions may lead to pressure on the Group's margins due to increased prices for supplies. While the Group actively manages the material margin through value and system selling, continued sales price increases, and product formulation optimizations, there is no guarantee that the Group will at all times be successful in managing the material margin, and any such failure could adversely impact the Group's results of operations and overall financial performance.

The Group depends on third-party suppliers for the procurement of raw materials for its manufacturing processes.

The Group relies on a number of third-party suppliers for a wide range of raw materials, including fossil fuel-based materials, renewable materials and recycled raw materials, and the Group's success depends on its ability to secure such manufacturing inputs in sufficient quantity, quality and on commercially acceptable terms. Moreover, for some materials and components the Group relies on a single source of supply, which increases its dependence and may subject the Group to pricing pressures. The Group does not have a guaranteed level of production capacity with all of its third-party suppliers, and such third-party suppliers may be unable to meet the Group's required demand for any reason, including supply shortages, delivery delays, transportation disruptions or manufacturing problems.

Further, the Group may be unable to identify alternative sources of supply for certain raw materials in sufficient quantity, quality and on commercially acceptable terms should the need arise. Any inability on the Group's part to secure the supplies necessary for the manufacture of its products in sufficient quantity, quality, or on commercially acceptable terms could prevent the Group from delivering products to its customers in a timely manner or at all and could therefore lead to customer dissatisfaction, loss of customers, reputational damage as well as a decrease of the Group's revenues and results of operations.

In addition, pandemic outbreaks, such as the COVID-19 pandemic, and lockdown and similar measures imposed as a result of such pandemics, have adversely impacted and may continue to adversely impact the Group's supply chain (see "—*Disruptions in the Group's supply chain may adversely affect the Group's financial performance.*") and may further increase the economic impact of the risks and circumstances described above.

The Group is exposed to fluctuating raw material prices.

The Group is exposed to changes in the price of the raw materials used in its activities. The Group uses significant amounts of raw materials in manufacturing a wide variety of products. In particular, a significant amount of the materials used by the Group in its production activities (e.g., polyols, epoxy resins, acrylic dispersions, and polycarboxylates) are based on fossil fuels or their derivatives. Purchase prices vary according to the supply and demand situation for each raw material and fluctuations in the price of oil.

To reduce its dependency on crude oil, the Group is increasingly relying on renewable raw materials such as sugar derivatives, bioethanol derivatives, and natural oils as well as recycled raw materials. However, there is no guarantee that the Group may at all times successfully identify such alternative raw materials in sufficient quantity, quality and on commercially acceptable terms.

Any of the above risks could adversely affect the Group's business, results of operations, financial position and prospects.

The Group is subject to risks associated with its international operations, including risks related to armed conflicts.

The Group is active worldwide, including in regions outside Western Europe and North America. More specifically, it is active in Latin America and Asia, including in a number of emerging countries. In certain countries located in these regions, there is greater economic and political instability, as well as greater exposure to social disruption and infrastructure malfunctions than in the more mature markets. Thus, the direct and indirect consequences of political instability, or of an unstable economic or regulatory environment, in a country in which the Group is active or markets its products, could have a material adverse impact on investment levels in that country's construction and other industrial sectors as well as on the Group's activities, and consequently on the Group's businesses and operations in such country.

Moreover, legal or regulatory changes (involving, among other things, taxation, restrictions on capital transfers, customs duties, intellectual property and import and export licenses, the employment system or health, safety or the environment) could significantly increase the Group's costs in the various countries in which it is active, or limit its ability to freely transfer its capital, and consequently have a material adverse impact on its business, results of operations, financial condition, and prospects.

In addition, the war in Ukraine leads to a high degree of uncertainty regarding the Group's operations in Ukraine, Russia and Belarus. While the Group's combined activities in Ukraine, Russia and Belarus only account for around 1% of the Group's net sales, the conflict in Ukraine and the resulting international sanctions could result in significant uncertainties and negatively impact European markets.

The Group's overall success depends, to a considerable extent, on its ability to anticipate and effectively manage differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments. There can be no assurance that the Group will continue to succeed in developing and implementing policies and strategies that will be effective in each location where it does business. Any failure to anticipate and effectively manage differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to the risk of changes in foreign exchange rates.

Due to the international nature of the Group's business, movements in foreign exchange rates may impact its consolidated statements of operations. With a significant part of the Group's sales located in regions outside Switzerland, the Group's consolidated net sales could be impacted negatively by the strengthening or positively by the weakening of the Swiss franc. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Group's results of operations, financial condition and liquidity as a significant number of the Group's manufacturing and distribution operations are located outside of Switzerland. Changes in exchange rates may have a negative effect on the Group's customers' access to credit as well as on the underlying strength of particular economies and target markets. Although the Group may use certain financial instruments to attempt to mitigate market fluctuations in foreign exchange rates, there can be no assurance that such measures will be effective or that they will not create additional financial obligations on the Group. Volatility in foreign currencies compared to the Swiss franc could have a negative effect on the Group's business, financial condition and results of operations.

The Group may face customer credit risk.

While the Group believes that its exposure to individual customer credit risk is generally limited due to the Group's wide range of businesses, global presence and large customer base, changes in the economic situation may lead to an increase in customer credit risk in the Group's markets which could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, pandemic outbreaks, such as the COVID-19 pandemic (see "—*Adverse global economic conditions could have an adverse effect on the Group's businesses*.") could lead to widespread payment delays on the level of the Group's customers, which may adversely affect the Group's financial condition and liquidity.

The Group's growth depends in part on the timely development and commercialization, and customer acceptance, of new and improved products based on technological innovation.

The Group generally sells its products in industries that are characterized by technological changes, new product introductions and changing industry standards. If the Group does not develop innovative new and improved products on a timely basis, its product offerings will become obsolete over time and its competitive position, results of operations and financial condition will suffer. The Group's success will depend on several factors, including its ability to:

- correctly identify customer needs and preferences and predict future needs and preferences;
- allocate R&D funding to products with higher growth prospects;
- anticipate and respond to the development of new products and technological innovations by competitors;
- differentiate its offerings from offerings of competitors;
- innovate and develop new technologies and applications, and acquire or obtain rights to third-party technologies that may have valuable applications in the Group's target markets;
- obtain adequate intellectual property rights with respect to key technologies before competitors do; and
- successfully commercialize new technologies in a timely manner, price them competitively and cost-effectively manufacture and deliver sufficient volumes of new products of appropriate quality on time.

If the Group fails to accurately predict future customer needs and preferences or fail to produce viable technologies, it may invest in R&D of products that do not lead to significant revenue, which would adversely affect its profitability. Even if the Group successfully innovates and develops new and improved products, it may incur substantial costs in doing so, and its profitability may suffer. In addition, promising new offerings may fail to reach the market or realize only limited commercial success because of real or perceived efficacy or safety concerns.

Digitalization impacts the Group's business and its products and services. Failure to adapt to the digital transformation or failure to seize opportunities in digitalization may adversely impact the Group's results of operations and prospects.

Digitalization is a radical leap in development with implications for all areas of life. The rise in digital networking is not only leading to exponential growth in communication possibilities, it also has a deep-rooted impact on market dynamics and social structures. Moreover, the COVID-19 pandemic has boosted the significance of comprehensive and rapid digital transformation. Digitalization in general and progress in digital technologies is also affecting the Group's business and its products and services. For example, Sika has developed solutions for modular construction, is active in 3D concrete printing, and has been driving innovations in both these areas. The Group's success in efforts to take advantage of digitalization developments will depend on many factors, including technology architecture, attracting and retaining employees with appropriate skills and mindsets, and successfully innovating across a variety of technology fields and there can be no assurance that the Group will be successful in doing so. Failure to adapt to the digital transformation or failure to seize opportunities in digitalization may adversely affect the Group's results of operations and prospects.

The Group may not be able to protect its intellectual property, including its proprietary technology, which could harm the Group's business and competitive position.

The Group's success depends on the Group's ability to protect its intellectual property, which currently includes over 980 unique patent families in various jurisdictions with more than 4,200 single national patents. The process of seeking patent protection is time-consuming and expensive and requires the publication of the relevant invention. The Group cannot be certain that patents will be issued as a result of its pending or future applications nor can the Group be certain that any issued patents would be sufficient in scope or strength to provide it with meaningful protection or commercial advantage, particularly in foreign countries where applicable laws may not sufficiently protect proprietary rights. Existing and future patents may be circumvented or challenged and declared invalid or unenforceable and may therefore not prevent unauthorized use, misappropriation or disclosure. Monitoring such unauthorized use, misappropriation or disclosure is difficult and despite the Group's efforts, unauthorized parties may or may attempt to copy or otherwise obtain and use the Group's proprietary technology, trade secrets, know-how or other proprietary information.

The Group relies on a combination of patent, copyright, trademark and trade secrecy laws as well as contractual restrictions on disclosure (such as confidentiality agreements or licenses) with its employees, members of the board of directors and the Group's management, customers, consultants, suppliers and business partners. The Group controls access to and distribution of its documentation and other proprietary information to protect its intellectual property against unauthorized use, misappropriation or disclosure. However, the Group cannot be certain that its trade secrets, know-how or other proprietary information will not otherwise become known or that the Group's competitors will not independently develop the Group's proprietary technology or effective competing technologies. Consequently, disputes may arise concerning the ownership of intellectual property, the use of proprietary technology, trade secrets, know-how or other proprietary information or the applicability of confidentiality agreements and the Group may be forced to initiate legal proceedings to enforce its intellectual property rights or its ability to exploit its proprietary technology which may be costly and divert efforts and attention of the Group's management.

Any failure to protect, maintain and enforce the Group's intellectual property and other proprietary information could impair the Group's competitiveness and severely harm its business, results of operations, financial position and prospects.

Assertions by third parties of infringement of their intellectual property rights may result in damage claims and litigation costs and may force the Group to modify its products or processes or prevent the Group from selling its products.

The Group cannot rule out that competitors or other companies may assert claims that the Group's products infringe on their intellectual property rights. Such litigation may involve patent holding companies or other adverse patent owners who have no relevant product revenue. As the Group seeks to develop and implement new products, technologies and processes it may not always be in the position to adequately identify such third-party rights or assess the scope and validity of these third-party rights due to the large and complex international intellectual property landscape. In addition, there is also a "black-out period" between the priority date of a patent and its subsequent publication and during this “black-out period”, the Group may not be aware of any infringement of intellectual property.

Any action to determine the validity of claims alleging infringement of patents and other intellectual property rights, whether or not with merit, determined in the Group's favor or settled by the Group, may subject the Group to protracted and expensive litigation which could divert attention and resources of the Group's management and technical personnel from operating its business. If these claims are successfully asserted against the Group, it could be required to pay substantial damages and could be prevented from selling some or all of its products. Furthermore, the Group may need to obtain licenses from third parties alleging infringement or substantially reengineer or rename its products in order to avoid infringement, which the Group may not be capable of doing on commercially acceptable terms or at all. If the Group is prevented from selling some or all of its products, it may be subject to a loss of revenue and customers, as well as reputational damage which could negatively affect the Group's business, financial condition and results of operations. Furthermore, in the course of such infringement claim trade secrets, know-how or other proprietary information could be compromised.

The Group is subject to risks arising from legal disputes, including contractual claims and product liability claims relating to product defects.

The Group's business may be adversely affected by the detrimental outcome of legal disputes and investigations by government agencies, the outcomes of which are not certain. Litigation risks include, among others, risks in the areas of competition and antitrust law, health regulations, tax law, and environmental protection.

In addition, the Group is subject to the risk of lawsuits, including class actions, alleging negligence, product liability and other contractual or statutory claims relating to product defects. Such lawsuits may include claims based on personal injury or death alleged to be caused by a product of the Group. These lawsuits often involve claims for substantial amounts of damages, including compensation for consequential damage and substantial costs for legal representation. In addition, products may be the subject of recalls. For this reason, there can be no assurance that extensive claims will not be asserted against the Group in the future or that large scale product recall measures will not be necessary. The Group may not have sufficient insurance to mitigate for such a contingency. Accordingly, the Group cannot assure that the risks inherent to any potential product liability claim or product recall will be mitigated in all circumstances.

Any of the above may result in actions being brought against the Group and may have a material adverse effect on its business, results of operations, financial condition and prospects. In addition, such event could adversely affect the Group's reputation and therefore reduce market acceptance of its products and services.

The Group's operations and products expose it to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect its business, results of operation, reputation and financial condition.

The Group's operations and products are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment, establish standards for the use, generation, treatment, storage and disposal of hazardous and nonhazardous wastes and impose end-of-life disposal and take-back programs. The Group must also comply with various health and safety regulations in a number of jurisdictions worldwide in connection with its operations. The Group cannot assure that its environmental, health and safety compliance program (or the compliance programs of businesses that the Group has acquired in the past) have been or will at all times be effective. Failure to comply with any of these laws could result in civil and criminal, monetary and nonmonetary penalties and damage to the Group's reputation. In addition, the Group cannot provide assurance that its costs of complying with current or future environmental protection and health and safety laws will not exceed its estimates or adversely affect its results of operations and financial conditions.

In addition, the Group may incur costs related to remedial efforts or alleged environmental damage associated with past or current waste disposal practices or other hazardous materials handling practices. The Group is also from time to time party to personal injury, property damage or other claims brought by private parties alleging injury or damage due to the presence of or exposure to hazardous substances. The Group may also become subject to additional remedial, compliance or personal injury costs due to future events such as changes in existing laws or regulations, changes in agency direction or enforcement policies, developments in remediation technologies, changes in the conduct of the Group's operations and changes in accounting rules.

The Group is subject to risks related to climate change.

Global climate change brings increased frequency and severity of extreme weather events and might lead to reduced availability of natural resources. The Group is faced with a wide-range of climate-related risks including physical risks and transition risks.

Physical risks include acute risks (event-driven, i.e., droughts, floods, extreme precipitation, and wildfires) and chronic risks (longer-term shifts in climate patterns, i.e., temperature, humidity, and precipitation), which may result in direct damage to the Group's assets or indirect impacts, such as disruptions to the Group's supply chains. Physical risks may also affect the Group's financial performance e.g. by changes in water availability, sourcing, and quality; food security and extreme temperature changes affecting entities' premises, operations, supply chain, transportation needs, and employee safety. For example, the Group is dependent on the availability of water as it is a prerequisite for the production process, as it is used for cooling, cleaning, in products, and for general purposes.

Transition risks include risks that relate to the move to a lower-carbon economy and in particular entails risks related to extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements relating to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputation risk to the Group.

While Sika is implementing measures aimed at effective climate change mitigation and adaptation throughout its global organization, there is no assurance that the Group will be able to effectively manage all of the risks related to climate change and any or all of the above-mentioned factors and risks, or other consequences of global climate change could adversely affect the Group's businesses, results of operations and financial condition.

Failure to successfully manage environmental, social and governance matters may have an adverse impact on the Group's business.

In addition to financial results, companies are increasingly being judged by performance on a variety of environmental, social and governance ("**ESG**") matters, which can contribute to the long-term sustainability of a company's performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures in making their investment decisions. Topics taken into account in such assessments include, among others, the impact of the Group's business on society and the environment, such as with respect to climate change, the sustainability of the Group's operations, the degradation of biodiversity, and inequality in society.

While the Group strives to actively manage a broad range of such ESG matters as part of its Sustainability Roadmap (see "*The Issuer and its Business—Business Activities—Sustainability*"), including with respect to the Group's energy consumption, CO_2 emissions and water consumption, there can be no certainty that the Group will manage such issues successfully, or that it will successfully meet society's or investors' rapidly changing and evolving expectations as to the Group's proper role.

Failure to successfully perform on ESG matters may adversely impact the Group's reputation, its ability to recruit and retain talent and its results of operations. Moreover, failure to deliver on ESG targets and investor expectations may in the long-term impact the Group's operations and ability to achieve its strategic goals, ultimately resulting in broader negative impacts on the value of the Group's business.

Legal and regulatory changes in the jurisdictions in which the Group operates and trades may have an adverse effect on the Group.

Due to the international nature of its business, the Group must comply with, and is affected by, a large number of different legal and regulatory frameworks, including tax laws. There is a risk that changes in these frameworks may materially adversely affect the Group's legal and regulatory environment. The risks faced by the Group include, but are not limited to:

- foreign currency control regulations and other regulations related to exchange rates and foreign currencies (such as the abandonment of exchange rate pegs, caps or floors);
- difficulties finding qualified managers and employees;
- taxes;
- increasingly protectionist sentiment in many countries leading to embargoes, trade restrictions, tariffs and other trade barriers; and
- the imposition of withholding taxes and transfer pricing regulations.

Changes in the regulatory environment may prevent the Group from advertising certain products or may negatively affect demand for its products, which could in turn have material adverse effects on its business, results of operations, financial condition and prospects. In addition, to the extent laws and regulations applicable to the Group are uncertain and evolving, it may be difficult for the Group to determine the exact requirements applicable to it, or to structure its transactions in such a way that the results it expects to achieve are legally enforceable in all cases.

The Group is subject to a wide range of local and international laws and regulations, including those relating to competition law, corruption, sanctions and fraud across many of the jurisdictions within which the Group operates and the Group is therefore exposed to changes in those laws and regulations and to the outcome of any investigations conducted by governmental, international or other regulatory authorities.

The Group is subject to a wide range of laws and regulations, including import and export requirements, financial reporting, taxation, anti-bribery, anti-corruption, sanction laws and anti-fraud laws and regulations (including regulations with respect to kick-backs and similar payments). Changes to these legal and regulatory environments could increase the cost of doing business, and such costs may increase in the future as a result of changes in these laws and regulations or in their interpretation.

While the Group has implemented a wide range of internal regulations and regularly conducts training in compliance-related matters, there is no guarantee that the Group's directors, officers, employees, contractors or agents will at all times be successful in complying with all demands of regulatory agencies in a manner which will not materially adversely affect the business, results of operations, financial condition or prospects of the Group. Potential breaches of local and international laws and regulations in the areas of competition law, corruption, sanction and fraud, among others, could result in the imposition of significant fines and/or sanctions for non-compliance, and may inflict reputational damage. Moreover, there is no guarantee that the Group's internal controls, policies and procedures relating to anti-corruption and anti-bribery, including those seeking to ensure compliance with the U.S. Foreign Corrupt Practices Act or the U.K. Bribery Act, will afford adequate protection against fraudulent and/or corrupt activity and any such activity could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Antitrust regulations can also have a marked impact on the Group's business. There can be no assurance that, due to the existing competitive situation in many of the markets in which it is active, the Group or certain of its subsidiaries or affiliates will not become subject to future antitrust investigations by the relevant authorities and will not be required to pay fines or be subject to claims for damages from third parties for violations of applicable antitrust laws. An unfavorable result in any potential future investigations or proceedings in connection with antitrust laws could have a material adverse effect on the Group's business, financial condition, results of operations and liquidity. In addition, the Group's involvement in such investigations and proceedings may adversely affect its reputation and customer relationships.

Tax legislation initiatives or challenges to the Group's tax positions could adversely affect its business, results of operations, financial condition and prospects.

The Group has operations in multiple jurisdictions worldwide. As such, it will be subject to the tax laws and regulations of a wide variety of government entities in numerous jurisdictions. From time to time, various legislative initiatives may be proposed that could adversely affect the Group's tax position. New accounting or tax guidance that may become applicable to the Group from time to time, or changes in the interpretations of existing guidance, including variations to existing tax rulings, could have a significant effect on the Group's reported results for the affected periods. The Group often relies on generally available interpretations of tax laws and regulations in the jurisdictions in which it operates. The Group cannot be sure that these interpretations are accurate or that the tax authorities are or will remain in agreement with its views. Owing to and following the changes of international tax regulations and current international initiatives, such as the Organization for Economic Co-operation and Development's ("**OECD**") as well as the Base Erosion and Profit Shifting Action Plan ("**BEPS**") tax authorities are likely to be more focused on areas such as transfer pricing and, as a result of the increasing exchange of information between tax authorities, more challenges may arise. Increased substance requirements may lead to certain countries' tax authorities challenging the tax-residency of or claiming taxation rights over some of the Group's entities. These developments could result in material additional taxes.

In particular, transfer pricing for intercompany transactions may be challenged by local tax authorities, which may result in additional taxes payable and interest or penalties. Most jurisdictions in which the Group operates have transfer pricing regulations that require transactions involving associated companies to be made on arm's length terms. Tax authorities in any relevant jurisdiction may not regard such intercompany transactions of the Group as being made on an arm's length basis or being properly documented. If they successfully challenge those arrangements, the amount of tax payable, in respect of both current and previous years, may increase materially and penalties or interest may be payable.

Moreover, as part of the OECD's BEPS initiative, in October 2021 over 135 jurisdictions joined a new plan to update key elements of the international tax system. The key component of this new plan is the so-called Global Anti-Base Erosion Rules ("**GloBE**") which intend to ensure large multinational enterprises with revenue above EUR 750 million ("**MNEs**") pay a minimum of 15% tax rate. The GloBE rules provide for a coordinated system of taxation intended to ensure large MNE groups pay this minimum level of tax on income arising in each of the jurisdictions in which they operate. The rules create a "top-up tax" to be applied on profits in any jurisdiction whenever the effective tax rate, determined on a jurisdictional basis, is below the minimum 15% rate. On January 13, 2022, the Swiss Federal Council announced that the minimum tax rate agreed by the OECD and G20 member states will be implemented by means of a constitutional amendment and that a temporary ordinance will be put in place to ensure that the minimum tax rate can come into force on January 1, 2024. The GloBE rules and the respective domestic implementations of these rules may result in material additional taxes for the Group, which could have a material adverse effect on the Group's net income.

Changes in tax laws, tax rates or tax rulings may have a significant adverse impact on the Group's effective tax rate. Among other things, the Group's tax liabilities are affected by the mix of pre-tax income or loss among the tax jurisdictions in which it operates and the repatriation of foreign earnings to Switzerland, which could be subject to withholding taxes. Notwithstanding the large tax treaty networks, which are intended to reduce or eliminate double taxation, there might be cases where withholding taxes paid in foreign jurisdictions, e.g., on dividends, industrial franchise, royalties or services, are not refundable, either in part or in full. The Group must exercise judgment in determining its worldwide provision for income taxes, interest and penalties; accordingly, future tax rules or changes in the application of existing rules could change management’s assessment of these amounts. In addition, from time to time, the Group may become subject to tax audits in the jurisdictions in which it operates.

In addition, the Group's products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions in which it operates. Increases in indirect taxes could affect its products' affordability and therefore reduce its sales. The same applies when regulations on indirect taxes, in particular exemptions or reduced instead of ordinary rates, have not been accurately applied and are assessed upon a tax audit.

Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

A downgrade by a rating agency could lead to increased borrowing costs and credit stress.

If any debt instrument or other security issued by Sika that is rated or Sika as an issuer is downgraded, raising capital will become more difficult for the Group, borrowing costs may increase and the market price for its securities may decrease. Any of the foregoing may have material adverse effects on the Group's business, results of operations, financial condition and prospects.

The Group is dependent on a limited number of key members of its management and its ability to attract and retain qualified employees.

The Group's success depends to a large extent on the continued involvement of the current members of the Board of Directors and Group management. See "*Board of Directors and Group Management*". If the Group is unable to retain the key members of its management, this could result in a significant loss of expertise and could have a material adverse effect on the business, results of operations, financial position, and prospects of the Group.

In order to achieve the Group's strategy, the Group will also be required to attract and retain a sufficient number of qualified employees, and the Group's future growth will require a strong pipeline of future successors for business-critical key positions. If the Group is not successful in retaining its current staff and hiring additional qualified personnel, this could negatively affect the Group's business development, and therefore may have material adverse effects on the business, results of operations, financial position, and prospects of the Group.

The Group has engaged in acquisitions of businesses, real estate, companies and equity interests in companies in the past, and the Group may engage in acquisitions or divestitures in the future, and there can be no assurance that such acquisitions or divestitures will yield the desired results.

In the past, the Group has engaged in acquisitions of businesses, real estate, companies and equity interests in companies and the Group may engage in acquisition activities in the future as part of its overall business strategy. See "*The Issuer and its Business—Business Activities—Acquisitions*". Corporate acquisitions typically involve significant investments and risks, including but not limited to tax liabilities and legal claims, such as third-party liability claims and tort claims, the failure to secure the necessary financing on reasonable terms or at all, regulatory compliance issues for past violations of legal requirements, claims for breach of contract, employment-related claims, environmental liabilities, conditions or damage or other liability, or claims relating to potential illegal activity by the acquired company. There is a possibility that the acquired companies, or future acquisitions will not be successfully integrated, that key customers will be lost, that acquired companies have lower quality standards than the rest of the Group, that goodwill emerging from the acquisition will need to be impaired or that anticipated cost savings, synergies or other benefits will not be realized. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

Furthermore, the Group may not identify all of the risks related to a transaction in advance or may not be able to adequately protect itself against such risks through indemnities, representations and warranties, or otherwise. Target companies may also be located in countries where the underlying legal, economic, political or cultural conditions are different from those customary in the Group's existing markets. In addition, preparing for the acquisition and integration of companies may result in the diversion of management attention and resources.

Technology or other acquired or licensed assets may not be legally valid or may be less valuable than initially thought. The Group may therefore be unable to use them as planned or at all. In addition, the Group may not succeed in retaining, maintaining and integrating the key employees and business relationships of newly acquired companies, businesses or divisions. Further, corporate actions after an acquisition may expose the Group to monetary claims, and this exposure may continue for a long time.

As a result of acquisition-related risks, the Group may not achieve the strategic goals it seeks from any such acquisition, or may be able to do so only to a limited extent due to timing or budgetary constraints. In addition, the Group's growth prospects depend, to a certain extent, on its ability to identify suitable acquisition opportunities and to successfully integrate the businesses it acquires. The success of corporate acquisitions is associated with many uncertainties. For instance, anticipated synergies may not materialize, the purchase price may later prove to have been too high, the acquired company or participation may not perform to the Group's expectations or may fail, it may prove difficult to control operating costs, or unforeseen restructuring expenses and impairment charges may become necessary. Moreover, in many countries and regions, planned acquisitions are subject to review by competition authorities, which may impede or delay a planned transaction or require changes to be made to the acquired or combined business that could reduce its profitability or that may limit the Group's ability to grow.

The occurrence of any of these risks, the incorrect assessment of risks by the Group, or any other failure in relation to acquisitions and investments by the Group may have material adverse effects on its business, results of operations, financial condition and prospects.

The Group is subject to risks associated with goodwill and impairment of property, plant and equipment and intangible assets.

In line with Group accounting policies, goodwill and certain other intangible assets with indefinite useful lives are tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Goodwill and other identified intangible assets may become impaired as a result of worse-than-expected performance by the Group, unfavorable market conditions, unfavorable legal or regulatory changes or many other factors. The recognition of impairment losses on goodwill could have an adverse effect on the Group's consolidated net income.

The Group relies on the proper functioning of its computer and data processing systems, and a large-scale malfunction impacting critical and sensitive information could result in disruptions to the Group's business.

The Group's ability to keep its businesses operating depends on the functional and efficient operation of its computer and data processing and telecommunications systems around the world. Computer and data processing and telecommunications systems are susceptible to malfunctions and interruptions (including due to equipment damage, power outages, fire, natural disasters, breakdowns, and a range of other hardware, software and network problems), and the Group may be unable to prevent malfunctions or interruptions. A significant or large scale malfunction or interruption of its computer or data processing or telecommunications systems could disrupt the Group's operations, for example by causing impeding the manufacture or shipment of products, the processing of transactions and the reporting of financial results, or could damage the Group's reputation.

Computer malware, viruses, ransomware, hacking, phishing attacks and other malfunctions or attacks causing an interruption or disruption, or failure of the Group's information technology or network and communication systems could result in security and privacy breaches and interruption in service, which could harm the Group's business, financial condition, results of operations and prospects.

The Group depends on its IT systems to, among other things, manage its productions and delivery of services, interface with customers and maintain financial records and accuracy. Information technology systems failures, including risks associated with upgrading systems, network disruptions and breaches of security could disrupt operations by impeding the Group's cyber security, processing of transactions, the protection of other information and the Group's financial reporting, leading to increased costs and potential liability.

Computer malware, viruses, physical or electronic break-ins and similar malfunctions or attacks could lead to interruption or disruptions and delays in the Group's operations and loss, misuse or theft of data. Cyber-attacks against online networks have become more prevalent and may occur on the Group's IT systems in the future. Any attempts by cyber-attackers to disrupt the Group's systems, if successful, could harm the Group's business, introduce liability to data subjects, result in the misappropriation of funds, be expensive to remedy, subject the

Group to substantial fines, penalties, damages and other liabilities under applicable laws and regulations, lead to a loss of protection of the Group's intellectual property or trade secrets and damage the Group's reputation or brand. Insurance may not be sufficient to cover significant expenses and losses related to cyber-attacks. Efforts to prevent cyber attackers from entering computer systems are expensive to implement, and the Group may not be able to cause the implementation or enforcement of such preventions with respect to the Group's third-party vendors. Though it is difficult to determine what, if any, harm may directly result from any specific interruption, disruption or attack, any failure to maintain performance, reliability, security and availability of systems and technical infrastructure may, in addition to other losses, harm the Group's reputation, brand and ability to attract customers. The Group has previously experienced, and may in the future experience, such service disruptions, outages and other performance problems due to computer malware, viruses, ransomware, hacking, phishing attacks and other malfunctions or attacks causing an interruption or disruption, or failure of the Group's information technology or network and communication systems.

In addition, the Group faces the risk of potential unauthorized access to, and the loss of, critical and sensitive information, for example as a result of industrial espionage activities or hacking attacks. A leak of confidential information or the loss of critical and sensitive information could reveal trade secrets or know-how of the Group or its customers to competitors and harm the Group's business, competitive position and reputation. The Group's insurance may not adequately compensate it for all losses or failures that may occur. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

While the Group has processes and procedures in place designed to enable it to quickly recover from a disaster or catastrophe and continue business operations, there is no guarantee that such processes and procedures will ensure continued and uninterrupted business operations. There are several factors ranging from human error to data corruption that could materially impact the efficacy of such processes and procedures, including by lengthening the time during which services are partially or fully unavailable to customers and users. It may be difficult or impossible to perform some or all recovery steps and continue normal business operations due to the nature of a particular disaster or catastrophe, especially during peak periods, which could cause additional reputational damages, or revenue loss, any of which could adversely affect the Group's business and financial results.

The Group's insurance coverage may be insufficient or unavailable.

It is the policy of the Group to take out and maintain insurance covering the main insurable risks of the Group to the extent such insurance coverage is available for reasonable premiums. However, there can be no assurance that the Group's insurance coverage is sufficient or available to cover potential damages. In addition there is no guarantee that the Group will be able to enter into new insurance agreements on commercially acceptable terms and conditions in the future. Insurance coverage might be cancelled or expire should the realization of the insured risk be caused by non-compliance with the applicable law.

Risks relating to the MBCC Group Acquisition.

*As described in "Information on the Offering—Use of Proceeds", the Issuer intends to use the proceeds of the issue of the Bonds, among other things, for the financing of its previously announced acquisition of the MBCC Group (such acquisition, the "**MBCC Acquisition**"). The following is a disclosure of certain specific risks relating to the MBCC Acquisition which may affect the Issuer's ability to fulfil its obligations under the Bonds.*

There can be no assurance that the MBCC Acquisition will yield the desired results.

In November 2021, Sika signed a definitive agreement to acquire MBCC Group and it is currently anticipated that the MBCC Acquisition will close in for the first half of 2023. Any of the Risks described above under *"—Risks Relating to the Sika Group—The Group has engaged in acquisitions of businesses, real estate, companies and equity interests in companies in the past, and the Group may engage in acquisitions or divestitures in the future, and there can be no assurance that such acquisitions or divestitures will yield the desired results*" may materialize in connection with the MBCC Acquisition. In particular, there is a possibility that key customers and distributors of the MBCC Group will be lost as a result of the Acquisition, that goodwill emerging from the MBCC Acquisition will need to be impaired or that anticipated cost savings and synergies will not be realized. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

Furthermore, the Group may not have identified all of the risks relating to the MBCC Acquisition in advance or may not have been able to adequately protect itself against such risks through indemnities, representations and warranties, or otherwise. In addition, preparing for the MBCC Acquisition and integration of the to be acquired companies may result in the diversion of management attention and resources.

In the context of the MBCC Acquisition, technology or other acquired or licensed assets may not be legally valid or may be less valuable than initially thought. The Group may therefore be unable to use them as planned or at all. In addition, the Group may not succeed in retaining, maintaining and integrating key employees and business relationships of the MBCC Group.

The occurrence of any of these risks, the incorrect assessment of risks by the Group, or any other failure in relation to the MBCC Acquisition may have material adverse effects on the Group's business, results of operations, financial condition and prospects.

Further, the MBCC Group is active in similar areas as the Sika Group, as the MBCC Group is active in the field of construction chemicals. In particular, the MBCC Group with its broad product offering also participates in all phases of construction. This refers to construction in general as a business, both refurbishment and new build. As a result, any of the risks described in "—*Risks Relating to the Sika Group*" may also materialize with respect to the MBCC Group's business, results of operations, financial condition and prospects.

The Group may not be able to complete the MBCC Acquisition on a timely basis or at all, and regulatory authorities may impose conditions on the Group or the MBCC Group that could prevent the Group from achieving some of the expected benefits and realizing the anticipated synergies of the MBCC Acquisition.

Certain regulatory authorities may have jurisdiction enabling them to initiate merger control proceedings even where the Group, according to the Group's assessment, is not subject to pre-merger notification requirements. As a result of any such proceedings, regulatory authorities could block the MBCC Acquisition or impose conditions on the Group, and any such conditions could prevent the Group from achieving some or all of the expected benefits and from realizing the anticipated synergies of the MBCC Acquisition. As of end of September 2022, unconditional approval has been received in most jurisdictions, including Japan, China, Brazil, South Africa, Morocco, Saudi Arabia, Turkey, and Thailand. In North America, Europe and Australia/New Zealand the condition to divest the admixture business has been imposed. A process has been started to look for a competent buyer for part of MBCC's admixture business. So far, conditions imposed by regulators are expected to result in divestments corresponding to up to CHF 850 million in net sales, with expected CHF 2,150 million in net sales from the MBCC Acquisition remaining for the Group.

Risks Relating to the Bonds and the Markets generally.

The specific risks of investing in the Bonds can only be assessed on the basis of a thorough and detailed analysis of the Terms of the relevant Tranche of Bonds and the individual situation of the prospective Bondholder. To understand the risks associated with an investment in the Bonds, each prospective Bondholder must thoroughly and in detail assess and analyze the Terms of the relevant Tranche of Bonds and the implications that the various features of the Bonds have for the prospective Bondholders based on their individual situation.

The Issuer is a holding company and Holders are structurally subordinated to the creditors of the Issuer's subsidiaries.

The Issuer acts as the holding company of the Group and has no material businesses or operations of its own. Therefore, the operations of the Group are conducted by the Issuer's operating subsidiaries and the Issuer will depend upon cash flows received from its subsidiaries to meet its payment obligations under the Bonds. Creditors of a subsidiary would have to be paid in full before sums would be available to the shareholders of that subsidiary and thereafter (by the payment of dividends to the Issuer) to Holders in respect of any payment obligations of the Issuer in respect of the Bonds. As the equity investor in its subsidiaries, the Issuer's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that the Issuer is recognized as a creditor of such subsidiaries, the Issuer's claims may still be subordinated to any security interest in, or other lien on, their assets and to any of their debt or other obligations that are senior to the Issuer's claims.

Moreover, the Terms of the Bonds do not limit the amount of liabilities that the Group's subsidiaries may incur. In addition, the Issuer may not necessarily have access to the full amount of cash flows generated by its operating subsidiaries, due in particular to legal or tax constraints, contractual restrictions and the subsidiary's financial requirements.

The Group may incur substantial additional indebtedness in the future.

The Group may incur substantial additional indebtedness, including in connection with capital expenditure programmes and future acquisitions. The terms of the Bonds will not limit the amount of indebtedness the Group may incur. Any such incurrence of additional indebtedness could exacerbate the related risks that the Group now faces or pose new risks not described in this Prospectus, which could affect the Issuer's ability to meet its repayment obligations under the Bonds.

There is no prior market for the Bonds.

Prior to this Offering, there has been no public market for the Bonds. Application will be made for the listing and trading of the Bonds according to the Standard for Bonds on the SIX Swiss Exchange. The Issuer cannot be certain that an active and liquid trading market for the Bonds will develop or be sustained or that the market price of the Bonds will not decline.

If a market does develop, it may not be liquid. The liquidity of any market will depend upon the number of Bondholders, the market for similar securities, the interest of securities dealers in making a market in the Bonds and other factors. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds.

The market for and price of the Bonds may be volatile.

The market price at which the Bonds will trade will depend upon a number of factors, some of which are beyond the Issuer's control. These factors include, but are not limited to:

- the trading liquidity of the Bonds;
- the historical and/or anticipated operating results and financial condition of the Group or those of other companies in its industry;
- fluctuations in the Sika Group's financial position or operating results;
- fluctuations of interest rates and spreads for corporate issuers in general;
- general market and economic conditions;
- changes in analysts' recommendations and/or a downgrade or potential downgrade of the Issuer's credit ratings, if any;
- announcements by the Sika Group and developments affecting the Sika Group, its business and customers and suppliers and the markets in which the Sika Group competes; and/or
- the factors listed herein under "*Risk Factors*".

In addition, bond markets have from time to time experienced substantial price and volume fluctuations. Such market fluctuations may lead to a drop in the market price of the Bonds. Accordingly, if a Bondholder sells its Bonds in the secondary market, it may not be able to obtain a price equal to the principal amount of the Bonds or a price equal to the price that it paid for the Bonds.

Furthermore, developments in and changes to securities analyst recommendations regarding the markets in which the Sika Group is active may also influence and introduce volatility to the price of the Bonds in the market. Any such broad market fluctuations may adversely affect the trading price of the Bonds.

The Bonds may be redeemed prior to maturity.

In case of an Acquisition Event (as defined in the Terms of the Bonds), the Bonds are redeemable at the Issuer's option at 101 per cent. of their principal amount, as further described in condition 4.2 (*Redemption at the Option of the Issuer (Acquisition Event)*) in the respective Terms of the Bonds. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds and may only be able to do so at a significantly lower rate. Such an optional redemption feature may limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

Investors in the Bonds may be subject to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Bonds in Swiss francs (CHF). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than CHF. These include the risk that exchange rates may significantly change (including changes due to devaluation of the CHF or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to CHF would decrease (1) the Investor's Currency-equivalent yield on the Bonds; (2) the Investor's Currency equivalent value of the principal payable on the Bonds; and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Investors in the Bonds may be subject to interest rate risks.

The Bonds bear interest at a fixed rate, which means that an investment in the Bonds involves the risk that if market interest rates subsequently increase above such fixed rate of interest, the real return on (and value of) the Bonds will be adversely affected.

The Issuer may, without consent of the Holders, substitute a subsidiary as issuer under the Bonds.

Under the Bonds, the Issuer may, without the consent of the Holders and subject to certain conditions, substitute for itself any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer as issuer of the Bonds. So long as the conditions described in the Terms of the Bonds are satisfied, such subsidiary may be an entity having a different legal form from the Issuer.

The credit rating of the Bonds may not reflect all risks.

The rating assigned to the Bonds may not reflect the potential impact of all risks related to structure, market and additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Issuer could cause the liquidity or market value of the Bonds to decline.

The Issuer's credit rating or the rating of the Bonds may be lowered, suspended or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to the business of the Issuer, so warrant. Any lowering, suspension or withdrawal of the Issuer's credit rating or the rating of the Bonds by a rating agency could reduce the liquidity or market value of the Bonds.

The Bondholders rights and remedies may be affected by changes of law.

The Terms of the Bonds are based on Swiss law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice after the date of this Prospectus.

Changes in the laws of Switzerland after the date hereof may also affect the rights and effective remedies of Bondholders as well as the market value of the Bonds. Such changes in law may include changes in statutory, tax and other regimes during the life of the Bonds, which may have an adverse effect on investment in the Bonds.

In certain instances Bondholders may be bound by certain amendments to the Bonds to which they did not consent.

The Bonds are subject to statutory provisions of Swiss law allowing for the calling of meetings of Bondholders to consider matters affecting their interests. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Pursuant to the mandatory provisions of Swiss law currently in effect, (i) the Issuer will be required to provide Bondholders with at least 20 days' notice of any meeting of Bondholders, (ii) the Issuer will be required to call a meeting of Bondholders if it is requested to do so by Bondholders holding Bonds in an aggregate principal amount that represents at least one-twentieth of the outstanding aggregate principal amount of the Bonds, and (iii) only Bondholders or their proxies will be entitled to attend, or vote at, a meeting of Bondholders.

In addition, the requirements under Swiss law currently in effect regarding the approval by Bondholders of amendments to the Terms of the Bonds will depend on the type of amendment. Pursuant to article 1170 of the Swiss Code of Obligations, the consent of Bondholders representing at least two-thirds of the outstanding aggregate principal amount of the Bonds is required for any resolution limiting Bondholders' rights under the Terms of the Bonds (such as a moratorium on interest or capital and certain amendments to the interest provisions). In addition, in order to become effective and binding on the non-consenting Bondholders, any such resolution must be approved by the competent superior cantonal composition court. In the case of resolutions that do not limit Bondholders' rights under the Terms of the Bonds, pursuant to article 1181 of the Swiss Code of Obligations, an absolute majority of the votes represented at a meeting of Bondholders is sufficient to approve any such resolution, unless article 1170 of the Swiss Code of Obligations or the Terms of the Bonds provide for more stringent requirements.

The Bonds may not be a suitable investment for all potential investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the Terms of the Bonds and be familiar with the behavior of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it; (2) Bonds can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

INFORMATION ON THE OFFERING

The following description should be read in conjunction with the other sections of this Prospectus, including but not limited to the sections "Forward-Looking Statements", "Risk Factors" and the "Terms of the Bonds", the Issuer's audited consolidated financial statements for the financial year ended on December 31, 2021, and the Issuer's unaudited interim consolidated financial statements for the six months ended on June 30, 2022.

Authorization

Pursuant to a resolution of the board of directors of the Issuer (the "**Board of Directors**") dated October 20, 2022, and the bond purchase agreement dated as of November 24, 2022 (the "**Bond Purchase Agreement**"), as well as the paying agency agreement dated November 24, 2022 (together the "**Bond Purchase and Paying Agency Agreement**") the Issuer has decided to issue the Bonds.

Subscription and Sale

Pursuant to the terms and conditions of the Bond Purchase Agreement, the Managers have agreed, severally but not jointly, to purchase and the Issuer has agreed to sell to the Managers, the Bonds for an aggregate amount of CHF 100,000,000 (Tranche A), CHF 200,000,000 (Tranche B), and CHF 300,000,000 (Tranche C), respectively.

The Bond Purchase Agreement provides for the undertaking of the Managers to offer the Bonds to prospective investors in a public offering in Switzerland and in private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.

The Bond Purchase Agreement provides that the Managers obligations are subject to certain conditions precedent. The Bond Purchase Agreement also entitles the Managers to terminate the Bond Purchase Agreement in certain circumstances prior to the Closing Date. If the right to terminate the Bond Purchase Agreement is exercised by the Managers, the Offering will terminate and any previous purported purchase or subscription of the Bonds will be deemed not to have been made. As is more fully set out in the Bond Purchase Agreement, the Issuer has agreed to pay the Managers certain commissions and certain costs and expenses incurred in connection with the Offering and to indemnify the Managers for, inter alia, losses as a result of breaches of certain representations and undertakings made in connection with the Offering.

Use of Proceeds

It is currently expected that the Issuer will use the expected net proceeds from the Offering, net of estimated commissions, fees from advisors and banks as well as other expenses related to the offering, amounting to approximately CHF 99,860,000 (Tranche A), CHF 199,608,000 (Tranche B) and CHF 299,395,000 (Tranche C), for (i) the financing of its acquisition of the MBCC Group (see "*The Issuer and its Business—Business Activities—Acquisitions—MBCC Acquisitions*", and (ii) general corporate purposes.

Listing Agent and Listing of the Bonds

In accordance with article 58a of the listing rules of the SIX Swiss Exchange, UBS AG has been appointed by the Issuer as representative to file the listing application for the Bonds with SIX Swiss Exchange.

Paying Agent

UBS AG will be acting as paying agent (the "**Principal Paying Agent**") for the Bonds.

Notices

Notices to Bondholders with respect to the Bonds are validly made by electronic publication on the website of SIX Exchange Regulation Ltd. (currently at: <https://www.ser-ag.com/en/resources/notifications-market-participants/official-notices.html#/>).

Foreign Investment and Exchange Control Regulations in Switzerland

Other than in connection with government sanctions imposed on certain persons from the Republic of Iraq, Myanmar (Burma), Zimbabwe, Sudan, the Democratic Republic of Congo, Belarus, the Democratic People's Republic of Korea (North Korea), Lebanon, the Islamic Republic of Iran, Somalia, Guinea, Libya, Syria, Guinea-Bissau, the Central African Republic, Yemen, Burundi, the Republic of South Sudan, the Republic of Mali, Venezuela, Nicaraqua, persons and organizations with connections to Usama Bin Laden, the "Al-Qaïda" group or the Taliban, certain persons in connection with the assassination of Rafik Hariri, and the sanctions and other measures imposed in connection with the situation in Ukraine, there are currently no government laws, decrees or regulations in Switzerland that restrict the export or import of capital, including, but not limited to, Swiss foreign exchange controls on the payment of interest to non-resident Bondholders.

TERMS OF THE BONDS – TRANCHE A

The terms and conditions of the Tranche A fixed rate bonds (each a "**Condition**", and together the "**Terms of the Bonds**"), issued by SIKA AG, are established pursuant to the Bond Purchase and Paying Agency Agreement. The Terms of the Bonds govern the rights and obligations of the Issuer and the Bondholders (as defined below) in relation to the Bonds (as defined below) and are as follows:

1. Form, Denomination, Certification, Printing and Delivery of the Bonds

(a) The Bonds are issued in the initial aggregate principal amount of CHF 100,000,000 and are divided into Bonds with denominations of CHF 5,000 (five thousand Swiss francs) per Bond (each, a "**Bond**").

SIKA AG (the "**Issuer**") reserves the right to reopen this issue and increase the aggregate principal amount at any time and without prior consent of or permission of the Bondholders (as defined below) through the issue of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate) (the "**Reopening**").

(b) The Bonds and all rights in connection therewith are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities *(einfache Wertrechte)*. The uncertificated securities *(einfache Wertrechte)* will be created by the Issuer by means of a registration in its register of uncertificated securities *(Wertrechtebuch)*. Such uncertificated securities *(einfache Wertrechte)* will then be entered into the main register *(Hauptregister)* of the SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities *(einfache Wertrechte)* are registered in the main register *(Hauptregister)* of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities *(Bucheffekten)* ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act *(Bucheffektengesetz*).

(c) So long as the Bonds are in the form of Intermediated Securities, the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

(d) The records of the Intermediary will determine the number of Bonds held through each participant in the Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the holders of the Bonds (the "**Bondholders**") will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their own name.

(e) The conversion of the uncertificated securities (*einfache Wertrechte*) into a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated securities (*Wertpapiere*) is excluded. Neither the Issuer nor the Bondholders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*einfache Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde auf Dauer*) or definitive Bonds (*Wertpapiere*) (*ausgeschlossener Titeldruck)*.

2. Status and Negative Pledge

2.1 <u>Unsubordinated debt securities</u>

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2.2) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, subject to Condition 2.2, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, except for such preferences as are provided for by any mandatorily applicable provision of law.

2.2 Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will procure that none of its Material Subsidiary will create or have outstanding any guarantee, charge, pledge, lien, mortgage or other form of encumbrance or security interest upon the whole or any part of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below), unless, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and ratably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Bondholders' Representative.

In these Conditions:

"**Relevant Indebtedness**" means any present or future indebtedness of the Issuer or any Subsidiary represented or evidenced by notes, bonds, debentures, or other securities which for the time being are or are capable of being, quoted, listed or ordinarily traded on any stock exchange, over-the-counter market or other securities market.

"**Material Subsidiary**" means any Subsidiary:

(i) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated net sales of the Issuer and its Subsidiaries taken as a whole, as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Issuer; or

(ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A report by two directors of the Issuer that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Bondholders;

"**Subsidiary**" of any person means (i) a company more than 50 per cent. of the Voting Rights of which is owned or controlled, directly or indirectly, by such person or by one or more other subsidiaries of such person or by such person and one or more subsidiaries thereof or (ii) any other person in which such person, or one or more other subsidiaries of such person or such person and one or more other subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of an entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

3. Interest

3.1 Interest Rate

The Bonds bear interest on their outstanding principal amount from but excluding November 28, 2022 (the "**Issue Date**") at the rate of 1.60 per cent per annum, payable annually in arrear on May 28 of each year (the "**Interest Payment Date**"), commencing on May 28, 2023 (short first coupon) and unless redeemed earlier, ending on and including May 28, 2024 (the "**Maturity Date**").

In these Conditions, the period beginning on but excluding the Issue Date and ending on and including the first Interest Payment Date and each successive period beginning but excluding an Interest Payment Date and ending on and including the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest is computed on the basis of twelve 30-day months of a 360-day year (30/360).

Interest payments are subject to the Swiss withholding tax of currently 35%.

If any Interest Payment Date (other than the Maturity Date (as defined in Condition 2.1 above)) would fall on a day that is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day (following). If the Maturity Date falls on a day that is not a Business Day, the payment of principal and interest will be made on the next Business Day, and no interest shall accrue for the period from and after the Maturity Date until such next Business Day.

"**Business Day**" means a day (other than a Saturday or Sunday) which is not marked as currency holiday for CHF in the Trading & Currency Holiday Calendar published by SIX Swiss Exchange.

3.2 Continuation of accrual of Interest

Each Bond will cease to bear interest where such Bond is to be redeemed or repaid pursuant to Conditions 4 or 7, from and including the due date for redemption or repayment unless payment of principal is improperly withheld or refused; in such event such Bond shall continue to bear interest at the aforesaid rate (both before and after judgment) and including the day on which all sums due in respect of such Bond up to that day are received by the Principal Paying Agent on behalf of the Bondholders.

4. Redemption and Purchase

4.1 Redemption at Maturity

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed by the Issuer at their principal amount (together with unpaid accrued interest to that date) on the Maturity Date.

4.2 Redemption at the Option of the Issuer (Acquisition Event)

If an Acquisition Event occurs, the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Acquisition Event Optional Redemption Date**")), redeem all, but not some only, of the Bonds at 101 per cent. of their principal amount (the "**Acquisition Event Redemption Price**"), together with any accrued and unpaid interest up to (and including) the Acquisition Event Optional Redemption Date, and provided that the Acquisition Event Optional Redemption Date shall fall no later than 75 days after the date on which the Acquisition Event shall have occurred.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.3 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.3 and not as provided in this Condition 4.2.

Any notice of redemption given under this Condition 4.2 will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 4.4.

An "**Acquisition Event**" will occur if:

(i) on or before the Long Stop Date, the Issuer announces to the public that its acquisition of the MBCC Group, the former BASF Construction Chemicals, from an affiliate of Lone Star Funds, as announced by the Issuer on 11 November 2021, (the "**Acquisition**") will not proceed; or

(ii) the Issuer has not, on or before the Long Stop Date, announced completion of the Acquisition,

where "**Long Stop Date**" means 30 June 2023.

4.3 Redemption at the option of the Bondholders following Change of Control

If a Change of Control Put Event (as defined below) occurs, the holder of each Bond will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 4.2 or 4.4) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but including) the Change of Control Put Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Bondholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bond must deliver such Bond to the specified office of any Agent at any time during normal business hours of such Agent falling within the period (the "**Change of Control Put Period**") of 30 days after the relevant Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Agent (a "**Change of Control Put Exercise Notice**").

Payment in respect of any Bond so delivered will be made on the date which is the fifth payment Business Day after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**"). A Change of Control Put Exercise Notice, once given, shall be irrevocable. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "**Change of Control Put Event**" below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 4.3 shall be construed accordingly.

In these Conditions:

A "**Change of Control Event**" shall occur if:

(i) an offer to acquire Shares, whether expressed as a public takeover offer (whether voluntary or mandatory), a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where:

(A) such offer is available to (aa) all holders of Shares, (bb) all holders of Shares other than the offeror and any persons acting in concert with such offeror, or (cc) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions (or a combination of the exceptions pursuant to (bb) and (cc)); and

(B) such offer having become or been declared unconditional with respect to acceptances, the Issuer becomes aware that the right to cast more than 33 1/3 per cent. of all the voting rights (whether exercisable or not) of the Issuer has become or will become unconditionally vested in the offeror and any persons acting in concert with the offeror; or

(ii) the Issuer consolidates with or merges into any other company, save where, following such consolidation or merger, shareholders of the Issuer immediately prior to such consolidation or merger have the right to cast 33 1/3 per cent. or more of the voting rights (whether exercisable or not) of such other company; or

(iii) the Issuer becomes aware that the right to cast more than 33 1/3 per cent. of all voting rights (whether exercisable or not) of the Issuer has become unconditionally vested directly or indirectly in any person (or in persons acting in concert with each other in respect of the exercise of such voting rights); or

(iv) the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, directly or indirectly, is acquired by one or more other persons acting in concert;

A "**Change of Control Put Event**" will be deemed to occur if:

(i) a Change of Control Event occurs; and:

(ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control Event and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:

(A) an investment grade credit rating (being BBB– from S&P or Fitch, and Baa3 from Moody's, each as defined below, or their respective equivalents, or better) from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (being BB+ from S&P or Fitch, and Ba1 from Moody's, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or

(B) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (for example, from Baa1 to Baa2 in the case of Moody's, or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that, if on the Relevant Announcement Date the Bonds carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then only sub paragraph (A) will apply; and

(iii) in making any decision to downgrade or withdraw a credit rating pursuant to sub-paragraphs (ii)(A) and (ii)(B) above (as the case may be) or not to award a credit rating of at least investment grade as described in limb (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control Event or the Relevant Potential Change of Control Announcement;

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control Event (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control Event) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Bonds by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control Event seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds, or any other unsecured and unsubordinated long-term debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period;

"**Rating Agency**" means Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings Ltd. ("Fitch") or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("S&P") or any of their respective successors or any rating agency (a "Substitute Rating Agency") substituted for any of them by the Issuer from time to time in relation to the Bonds;

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control Event where within 180 days following the date of such announcement or statement, a Change of Control Event occurs; and

"**Shares**" means registered shares of the Issuer (as well as any other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares) which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

4.4 Clean-up Call Option

If, at any time, 80 per cent. or more in principal amount of the Bonds originally issued (and, for these purposes, any further securities issued pursuant to these Conditions will be deemed to have been originally issued) have been redeemed or purchased and cancelled, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their principal amount, together with interest accrued to (and including) the date fixed for such redemption or purchase.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.3 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.3 and not as provided in this Condition 4.4.

4.5 Purchases

The Issuer and the Issuer's Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. Any purchases shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below. If purchases are made by public tender, such tender must be available to all Bondholders alike.

The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or otherwise for the purposes of Condition 10.

4.6 Cancellation

All Bonds purchased by or on behalf of the Issuer and/or the Issuer's Subsidiaries may be surrendered for cancellation to the Principal Paying Agent and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

5. Payment / Taxation

The amounts required for the payment of interest on the Bonds (after deduction, where relevant, of the then applicable Swiss Withholding Tax; *Verrechnungssteuer*), the principal amount of the Bonds and any other payments in cash to be made under these Conditions will be made available in good time in freely disposable Swiss francs, which will be placed at the free disposal of the Principal Paying Agent in Switzerland. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Bondholders will not be entitled to any additional sum in relation thereto.

The receipt by the Principal Paying Agent of the funds in Swiss francs in Switzerland shall release the Issuer of its obligations under the Bonds to the extent of amounts paid by the Issuer. Upon receipt of the funds in Switzerland, the Principal Paying Agent will arrange for payment to the Bondholders.

The Issuer undertakes that payments to be made under these Conditions shall be made in freely disposable Swiss francs without collection cost to the Bondholders, and unless provided for by applicable law, without any restrictions, and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Bondholders and without requiring any affidavit or the fulfilment of any other formality, at the counters of UBS (the "**Principal Paying Agent**").

If, at any time during the life of the Bonds, the Paying Agent shall resign or become incapable of acting as Paying Agent as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Paying Agent may be substituted by a duly licensed major Swiss bank or branch of a major foreign bank in Switzerland chosen by the Issuer. In the event of such replacement of the Paying Agent, all references to the Paying Agent shall be deemed to refer to such replacement. Notice of such a replacement shall be published in accordance with Condition 15 hereof.

Payments in respect of the Bonds are subject to applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at the rate of thirty-five (35) per cent.

6. Undertakings

For as long as any Bond remains outstanding, the Issuer will inform the Principal Paying Agent of any event, circumstance or other matter that may be relevant for the Principal Paying Agent in connection with its functions set forth in these Conditions, and in particular of any event that constitutes an Event of Default.

7. Events of Default

If any of the following events ("**Events of Default**") occurs:

(a) **Non-Payment**: the Issuer fails to pay the principal of or any interest or other amount on any of the Bonds when due and such failure continues for a period of fourteen (14) calendar days; or

(b) **Breach of Other Obligations**: a default is made by the Issuer in the performance or observance of any covenant, condition or provision contained in these Conditions which is to be performed or observed on its respective parts and which default is incapable of remedy or is not remedied within thirty (30) calendar days after notice of such default and requiring it to be remedied shall be given to the Issuer by the Principal Paying Agent; or

(c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of the Issuer's Subsidiaries for or in respect of moneys borrowed or raised (x) is not paid when due or, as the case may be, within a period of fourteen (14) calendar days following such default or (y) becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or (ii) any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the Issuer or any of the Issuer's Subsidiaries is not honoured when due and called upon or, as the case may be, within a period of fourteen (14) calendar days following such default, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relevant indebtedness, either alone or when aggregated with other indebtedness in respect of which any such event has occurred and is continuing, has an outstanding nominal value of CHF 150 million (or its equivalent in another currency) or more; or

(d) **Insolvency**: the Issuer or any of the Issuer's Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, or proposes or makes a stay of execution; or

(e) **Postponement:** a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of the Issuer's Material Subsidiaries or a liquidator is appointed with respect to the Issuer or a Material Subsidiary; or

(f) **Dissolution or merger:** a dissolution, winding-up, liquidation or merger involving the Issuer as a result of which the Issuer is not the surviving company, unless the successor legal entity assumes all of the Issuer's liabilities; or

(g) **Change of legal or commercial structure:** the Issuer or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of a substantial part of its assets, change in the objects of the legal entity and/or commercial activities or merger, insofar as the relevant action, in the Bondholders' Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Bondholders' Representative considers the situation of the Bondholders as adequately protected based on securities created or other steps taken by the Issuer; or

(h) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Bonds (as the case may be);

then the Principal Paying Agent may, and if so directly requested by a resolution of a meeting of Bondholders shall, subject in each case to it being indemnified to its satisfaction, give notice to the Issuer that the outstanding Bonds are immediately due and payable at their principal amount, together with accrued interest and costs unless, prior to the time when the Issuer receives such notice, the relevant Event of Default shall have been cured, to the satisfaction of the Bondholders' Representative or otherwise made good

The Issuer undertakes to inform the Principal Paying Agent in its capacity as Bondholders' representative (the "**Bondholders' Representative**") without delay if any event mentioned under para. (b) through (h) has occurred and to provide the Bondholders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Bondholders' Representative has the right but not the obligation to serve a written notice of default ("**Default Notice**"), such notice having the effect that the Bonds shall become immediately due and payable at par plus accrued interest, if any, on the day the Default Notice is given. The Bondholders' Representative is entitled to appoint one or more experts at the expenses of the Issuer for the assistance in making its assessments whether an Event of Default occurred or not.

8. Prescription

Claims for payment of principal and interest cease to be enforceable by legal action in accordance with the applicable statute of limitations under Swiss law (presently after 10 years, in case of principal, and after 5 years, in case of interest, from their relevant due dates).

9. Enforcement of Rights

The Bondholders shall not be entitled to exercise any right or option, if these Conditions provide that such right or option shall be exercised by the Principal Paying Agent on behalf of the Bondholders.

10. Meetings of Bondholders; Modifications; Waivers

The Principal Paying Agent may consult with the Bondholders by way of calling a meeting of the bondholders (a "**Bondholders' Meeting**") prior to taking a decision pursuant to section 7 of these Terms of the Bonds. The meetings of Bondholders shall be governed by Articles 1157 et seq. CO. The legally valid resolution of the Bondholders' meeting to serve a Default Notice, shall replace the right reserved by the Principal Paying Agent according to these Terms of the Bonds to serve a Default Notice on behalf of the Bondholders. If the Bondholders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Principal Paying Agent whereby the Principal Paying Agent shall not be bound by the resolution of the Bondholders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

11. Amendment to the Conditions

The Principal Paying Agent may, without the consent of the Bondholders, agree to any modification or arrangement of the Terms of the Bonds which, in the opinion of the Principal Paying Agent, is of a formal, minor or technical nature or is made to correct a manifest error.

12. Substitution of the Issuer

The Issuer may be replaced by another Issuer (the "**New Issuer**") at a later date as the direct debtor of the Bonds, provided that the Issuer shall request prior approval from the Principal Paying Agent on behalf of the Bondholders. Such approval shall not be unreasonably withheld if, in the sole opinion of the Principal Paying Agent:

(a) the interests of the Bondholders are satisfactorily protected, in particular with regard to their status under applicable tax law;

(b) the New Issuer is able to fulfil all payment obligations arising from or in connection with the Bonds and coupons in Swiss Francs and with the right to transfer without restriction all amounts required to be paid under the Bonds and Coupons;

(c) the Issuer and the New Issuer have entered into such documents as are necessary to give effect to such substitution and provided copies of these documents to the Bondholders' Representative;

(d) the New Issuer has obtained any necessary governmental authorizations of the country of its domicile or its deemed residence; and

(e) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Bondholders' Representative.

The Principal Paying Agent is entitled to appoint one or more experts at the expenses of the Issuer for the assistance of the Principal Paying Agent in making its assessments.

Any substitution shall be published in accordance with Condition 15. In the event of such substitution, any reference to the Issuer in these Conditions shall be deemed to refer to the New Issuer.

By subscribing to or otherwise acquiring, any of the Bonds or coupons, the Bondholders expressly consent to the Issuer substituting for itself as principal debtor under the Bonds or the coupons the New Issuer subject to the provisions of this Condition 12.

13. Listing

The Issuer will use its reasonable efforts to procure that the Bonds are listed on SIX Swiss Exchange and to maintain such listing during the whole life of the Bonds.

14. Severability

If at any time any or more of the provisions of the Conditions is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

15. Notices

All notices to Bondholders regarding the Bonds shall be published by the Principal Paying Agent in accordance with the applicable regulations of the SIX Swiss Exchange and the directions by or after consultation with and at the expense of the Issuer in due time and shall be valid as soon as published electronically on the internet website of SIX Swiss Exchange under the section headed "Official Notices" (https://www.six-group.com, where notices are currently published under the address "https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/").

16. Governing Law and Jurisdiction

(a) **Governing Law:** These Conditions, the Bonds and/or the coupons shall be subject to and governed by substantive Swiss law (i.e. without regard to the principles of conflict of laws).

(b) **Jurisdiction:** Any dispute which might arise between Bondholders on the one hand and the Issuer on the other hand regarding these Conditions, the Bonds and/or the coupons shall be settled in accordance with Swiss law, the exclusive place of jurisdiction being Zurich 1, Switzerland, with the right of appeal to the Swiss Federal Court of Justice in Lausanne, when the law permits, the decision of which will be final.

TERMS OF THE BONDS – TRANCHE B

The terms and conditions of the Tranche B fixed rate bonds (each a "**Condition**", and together the "**Terms of the Bonds**"), issued by SIKA AG, are established pursuant to the Bond Purchase and Paying Agency Agreement. The Terms of the Bonds govern the rights and obligations of the Issuer and the Bondholders (as defined below) in relation to the Bonds (as defined below) and are as follows:

1. Form, Denomination, Certification, Printing and Delivery of the Bonds

(a) The Bonds are issued in the initial aggregate principal amount of CHF 200,000,000 and are divided into Bonds with denominations of CHF 5,000 (five thousand Swiss francs) per Bond (each, a "**Bond**").

SIKA AG (the "**Issuer**") reserves the right to reopen this issue and increase the aggregate principal amount at any time and without prior consent of or permission of the Bondholders (as defined below) through the issue of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate) (the "**Reopening**").

(b) The Bonds and all rights in connection therewith are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities *(einfache Wertrechte)*. The uncertificated securities *(einfache Wertrechte)* will be created by the Issuer by means of a registration in its register of uncertificated securities *(Wertrechtebuch)*. Such uncertificated securities *(einfache Wertrechte)* will then be entered into the main register *(Hauptregister)* of the SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities *(einfache Wertrechte)* are registered in the main register *(Hauptregister)* of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities *(Bucheffekten)* ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act *(Bucheffektengesetz)*.

(c) So long as the Bonds are in the form of Intermediated Securities, the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

(d) The records of the Intermediary will determine the number of Bonds held through each participant in the Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the holders of the Bonds (the "**Bondholders**") will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their own name.

(e) The conversion of the uncertificated securities (*einfache Wertrechte*) into a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated securities (*Wertpapiere*) is excluded. Neither the Issuer nor the Bondholders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*einfache Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde auf Dauer*) or definitive Bonds (*Wertpapiere*) (*ausgeschlossener Titeldruck)*.

2. Status and Negative Pledge

2.1 <u>Unsubordinated debt securities</u>

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2.2) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, subject to Condition 2.2, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, except for such preferences as are provided for by any mandatorily applicable provision of law.

2.2 Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will procure that none of its Material Subsidiary will create or have outstanding any guarantee, charge, pledge, lien, mortgage or other form of encumbrance or security interest upon the whole or any part of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below), unless, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and ratably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Bondholders' Representative.

In these Conditions:

"**Relevant Indebtedness**" means any present or future indebtedness of the Issuer or any Subsidiary represented or evidenced by notes, bonds, debentures, or other securities which for the time being are or are capable of being, quoted, listed or ordinarily traded on any stock exchange, over-the-counter market or other securities market.

"**Material Subsidiary**" means any Subsidiary:

(i) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated net sales of the Issuer and its Subsidiaries taken as a whole, as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer's latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Issuer; or

(ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A report by two directors of the Issuer that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Bondholders;

"**Subsidiary**" of any person means (i) a company more than 50 per cent. of the Voting Rights of which is owned or controlled, directly or indirectly, by such person or by one or more other subsidiaries of such person or by such person and one or more subsidiaries thereof or (ii) any other person in which such person, or one or more other subsidiaries of such person or such person and one or more other subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of an entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

3. Interest

3.1 Interest Rate

The Bonds bear interest on their outstanding principal amount from but excluding November 28, 2022 (the "**Issue Date**") at the rate of 1.90 per cent per annum, payable annually in arrear on November 28, of each year (the "**Interest Payment Date**"), commencing on November 28, 2023 and unless redeemed earlier, ending on and including November 28, 2025 (the "**Maturity Date**").

In these Conditions, the period beginning on but excluding the Issue Date and ending on and including the first Interest Payment Date and each successive period beginning but excluding an Interest Payment Date and ending on and including the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest is computed on the basis of twelve 30-day months of a 360-day year (30/360).

Interest payments are subject to the Swiss withholding tax of currently 35%.

If any Interest Payment Date (other than the Maturity Date (as defined in Condition 2.1 above)) would fall on a day that is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day (following). If the Maturity Date falls on a day that is not a Business Day, the payment of principal and interest will be made on the next Business Day, and no interest shall accrue for the period from and after the Maturity Date until such next Business Day.

"**Business Day**" means a day (other than a Saturday or Sunday) which is not marked as currency holiday for CHF in the Trading & Currency Holiday Calendar published by SIX Swiss Exchange.

3.2 Continuation of accrual of Interest

Each Bond will cease to bear interest where such Bond is to be redeemed or repaid pursuant to Conditions 4 or 7, from and including the due date for redemption or repayment unless payment of principal is improperly withheld or refused; in such event such Bond shall continue to bear interest at the aforesaid rate (both before and after judgment) and including the day on which all sums due in respect of such Bond up to that day are received by the Principal Paying Agent on behalf of the Bondholders.

4. Redemption and Purchase

4.1 Redemption at Maturity

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed by the Issuer at their principal amount (together with unpaid accrued interest to that date) on the Maturity Date.

4.2 Redemption at the Option of the Issuer (Acquisition Event)

If an Acquisition Event occurs, the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Acquisition Event Optional Redemption Date**")), redeem all, but not some only, of the Bonds at 101 per cent. of their principal amount (the "**Acquisition Event Redemption Price**"), together with any accrued and unpaid interest up to (and including) the Acquisition Event Optional Redemption Date, and provided that the Acquisition Event Optional Redemption Date shall fall no later than 75 days after the date on which the Acquisition Event shall have occurred.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.4 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.4 and not as provided in this Condition 4.2.

Any notice of redemption given under this Condition 4.2 will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 4.3 or Condition 4.5.

An "**Acquisition Event**" will occur if:

(i) on or before the Long Stop Date, the Issuer announces to the public that its acquisition of the MBCC Group, the former BASF Construction Chemicals, from an affiliate of Lone Star Funds, as announced by the Issuer on 11 November 2021, (the "**Acquisition**") will not proceed; or

(ii) the Issuer has not, on or before the Long Stop Date, announced completion of the Acquisition,

where "**Long Stop Date**" means 30 June 2023.

4.3 Redemption at the Option of the Issuer (Pre-Maturity Call)

The Issuer may, at any time from (and including) 3 months prior to maturity to (but excluding) the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Pre-Maturity Optional Redemption Date**"), redeem all, but not some only, of the Bonds at their principal amount together with interest accrued to but excluding the Pre-Maturity Optional Redemption Date.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.4 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.4 and not as provided in this Condition 4.3.

4.4 Redemption at the option of the Bondholders following Change of Control

If a Change of Control Put Event (as defined below) occurs, the holder of each Bond will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 4.2, 4.3 or 4.5) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but including) the Change of Control Put Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Bondholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bond must deliver such Bond to the specified office of any Agent at any time during normal business hours of such Agent falling within the period (the "**Change of Control Put Period**") of 30 days after the relevant Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Agent (a "**Change of Control Put Exercise Notice**").

Payment in respect of any Bond so delivered will be made on the date which is the fifth payment Business Day after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**"). A Change of Control Put Exercise Notice, once given, shall be irrevocable. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "**Change of Control Put Event**" below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 4.4 shall be construed accordingly.

In these Conditions:

A "**Change of Control Event**" shall occur if:

(i) an offer to acquire Shares, whether expressed as a public takeover offer (whether voluntary or mandatory), a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where:

(A) such offer is available to (aa) all holders of Shares, (bb) all holders of Shares other than the offeror and any persons acting in concert with such offeror, or (cc) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions (or a combination of the exceptions pursuant to (bb) and (cc)); and

(B) such offer having become or been declared unconditional with respect to acceptances, the Issuer becomes aware that the right to cast more than 33 1/3 per cent. of all the voting rights (whether exercisable or not) of the Issuer has become or will become unconditionally vested in the offeror and any persons acting in concert with the offeror; or

(ii) the Issuer consolidates with or merges into any other company, save where, following such consolidation or merger, shareholders of the Issuer immediately prior to such consolidation or merger have the right to cast 33 1/3 per cent. or more of the voting rights (whether exercisable or not) of such other company; or

(iii) the Issuer becomes aware that the right to cast more than 33 1/3 per cent. of all voting rights (whether exercisable or not) of the Issuer has become unconditionally vested directly or indirectly in any person (or in persons acting in concert with each other in respect of the exercise of such voting rights); or

(iv) the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, directly or indirectly, is acquired by one or more other persons acting in concert;

A "**Change of Control Put Event**" will be deemed to occur if:

(i) a Change of Control Event occurs; and:

(ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control Event and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:

(A) an investment grade credit rating (being BBB– from S&P or Fitch, and Baa3 from Moody's, each as defined below, or their respective equivalents, or better) from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (being BB+ from S&P or Fitch, and Ba1 from Moody's, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or

(B) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (for example, from Baa1 to Baa2 in the case of Moody's, or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that, if on the Relevant Announcement Date the Bonds carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then only sub paragraph (A) will apply; and

(iii) in making any decision to downgrade or withdraw a credit rating pursuant to sub-paragraphs (ii)(A) and (ii)(B) above (as the case may be) or not to award a credit rating of at least investment grade as described in limb (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control Event or the Relevant Potential Change of Control Announcement;

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control Event (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control Event) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Bonds by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control Event seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds, or any other unsecured and unsubordinated long-term debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period;

"**Rating Agency**" means Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings Ltd. ("Fitch") or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("S&P") or any of their respective successors or any rating agency (a "Substitute Rating Agency") substituted for any of them by the Issuer from time to time in relation to the Bonds;

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control Event where within 180 days following the date of such announcement or statement, a Change of Control Event occurs; and

"**Shares**" means registered shares of the Issuer (as well as any other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares) which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

4.5 Clean-up Call Option

If, at any time, 80 per cent. or more in principal amount of the Bonds originally issued (and, for these purposes, any further securities issued pursuant to these Conditions will be deemed to have been originally issued) have been redeemed or purchased and cancelled, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their principal amount, together with interest accrued to (and including) the date fixed for such redemption or purchase.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.4 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.4 and not as provided in this Condition 4.5.

4.6 Purchases

The Issuer and the Issuer's Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. Any purchases shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal

Paying Agent for cancellation as set out below. If purchases are made by public tender, such tender must be available to all Bondholders alike.

The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or otherwise for the purposes of Condition 10.

4.7 Cancellation

All Bonds purchased by or on behalf of the Issuer and/or the Issuer's Subsidiaries may be surrendered for cancellation to the Principal Paying Agent and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

5. Payment / Taxation

The amounts required for the payment of interest on the Bonds (after deduction, where relevant, of the then applicable Swiss Withholding Tax; *Verrechnungssteuer*), the principal amount of the Bonds and any other payments in cash to be made under these Conditions will be made available in good time in freely disposable Swiss francs, which will be placed at the free disposal of the Principal Paying Agent in Switzerland. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Bondholders will not be entitled to any additional sum in relation thereto.

The receipt by the Principal Paying Agent of the funds in Swiss francs in Switzerland shall release the Issuer of its obligations under the Bonds to the extent of amounts paid by the Issuer. Upon receipt of the funds in Switzerland, the Principal Paying Agent will arrange for payment to the Bondholders.

The Issuer undertakes that payments to be made under these Conditions shall be made in freely disposable Swiss francs without collection cost to the Bondholders, and unless provided for by applicable law, without any restrictions, and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Bondholders and without requiring any affidavit or the fulfilment of any other formality, at the counters of UBS (the "**Principal Paying Agent**").

If, at any time during the life of the Bonds, the Paying Agent shall resign or become incapable of acting as Paying Agent as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Paying Agent may be substituted by a duly licensed major Swiss bank or branch of a major foreign bank in Switzerland chosen by the Issuer. In the event of such replacement of the Paying Agent, all references to the Paying Agent shall be deemed to refer to such replacement. Notice of such a replacement shall be published in accordance with Condition 15 hereof.

Payments in respect of the Bonds are subject to applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at the rate of thirty-five (35) per cent.

6. Undertakings

For as long as any Bond remains outstanding, the Issuer will inform the Principal Paying Agent of any event, circumstance or other matter that may be relevant for the Principal Paying Agent in connection with its functions set forth in these Conditions, and in particular of any event that constitutes an Event of Default.

7. Events of Default

If any of the following events ("**Events of Default**") occurs:

(a) **Non-Payment**: the Issuer fails to pay the principal of or any interest or other amount on any of the Bonds when due and such failure continues for a period of fourteen (14) calendar days; or

(b) **Breach of Other Obligations**: a default is made by the Issuer in the performance or observance of any covenant, condition or provision contained in these Conditions which is to be performed or observed on its respective parts and which default is incapable of remedy or is not remedied within thirty (30) calendar days after notice of such default and requiring it to be remedied shall be given to the Issuer by the Principal Paying Agent; or

(c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of the Issuer's Subsidiaries for or in respect of moneys borrowed or raised (x) is not paid when due or, as the case may be, within a period of fourteen (14) calendar days following such default or (y) becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or (ii) any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the Issuer or any of the Issuer's Subsidiaries is not honoured when due and called upon or, as the case may be, within a period of fourteen (14) calendar days following such default, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relevant indebtedness, either alone or when aggregated with other indebtedness in respect of which any such event has occurred and is continuing, has an outstanding nominal value of CHF 150 million (or its equivalent in another currency) or more; or

(d) **Insolvency**: the Issuer or any of the Issuer's Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, or proposes or makes a stay of execution; or

(e) **Postponement:** a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of the Issuer's Material Subsidiaries or a liquidator is appointed with respect to the Issuer or a Material Subsidiary; or

(f) **Dissolution or merger:** a dissolution, winding-up, liquidation or merger involving the Issuer as a result of which the Issuer is not the surviving company, unless the successor legal entity assumes all of the Issuer's liabilities; or

(g) **Change of legal or commercial structure:** the Issuer or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of a substantial part of its assets, change in the objects of the legal entity and/or commercial activities or merger, insofar as the relevant action, in the Bondholders' Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Bondholders' Representative considers the situation of the Bondholders as adequately protected based on securities created or other steps taken by the Issuer; or

(h) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Bonds (as the case may be);

then the Principal Paying Agent may, and if so directly requested by a resolution of a meeting of Bondholders shall, subject in each case to it being indemnified to its satisfaction, give notice to the Issuer that the outstanding Bonds are immediately due and payable at their principal amount, together with accrued interest and costs unless, prior to the time when the Issuer receives such notice, the relevant Event of Default shall have been cured, to the satisfaction of the Bondholders' Representative or otherwise made good

The Issuer undertakes to inform the Principal Paying Agent in its capacity as Bondholders' representative (the "**Bondholders' Representative**") without delay if any event mentioned under para. (b) through (h) has occurred and to provide the Bondholders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Bondholders' Representative has the right but not the obligation to serve a written notice of default ("**Default Notice**"), such notice having the effect that the Bonds shall become immediately due and payable at par plus accrued interest, if any, on the day the Default Notice is given. The Bondholders' Representative is entitled to appoint one or more experts at the expenses of the Issuer for the assistance in making its assessments whether an Event of Default occurred or not.

8. Prescription

Claims for payment of principal and interest cease to be enforceable by legal action in accordance with the applicable statute of limitations under Swiss law (presently after 10 years, in case of principal, and after 5 years, in case of interest, from their relevant due dates).

9. Enforcement of Rights

The Bondholders shall not be entitled to exercise any right or option, if these Conditions provide that such right or option shall be exercised by the Principal Paying Agent on behalf of the Bondholders.

10. Meetings of Bondholders; Modifications; Waivers

The Principal Paying Agent may consult with the Bondholders by way of calling a meeting of the bondholders (a "**Bondholders' Meeting**") prior to taking a decision pursuant to section 7 of these Terms of the Bonds. The meetings of Bondholders shall be governed by Articles 1157 et seq. CO. The legally valid resolution of the Bondholders' meeting to serve a Default Notice, shall replace the right reserved by the Principal Paying Agent according to these Terms of the Bonds to serve a Default Notice on behalf of the Bondholders. If the Bondholders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Principal Paying Agent whereby the Principal Paying Agent shall not be bound by the resolution of the Bondholders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

11. Amendment to the Conditions

The Principal Paying Agent may, without the consent of the Bondholders, agree to any modification or arrangement of the Terms of the Bonds which, in the opinion of the Principal Paying Agent, is of a formal, minor or technical nature or is made to correct a manifest error.

12. Substitution of the Issuer

The Issuer may be replaced by another Issuer (the "**New Issuer**") at a later date as the direct debtor of the Bonds, provided that the Issuer shall request prior approval from the Principal Paying Agent on behalf of the Bondholders. Such approval shall not be unreasonably withheld if, in the sole opinion of the Principal Paying Agent:

(a) the interests of the Bondholders are satisfactorily protected, in particular with regard to their status under applicable tax law;

(b) the New Issuer is able to fulfil all payment obligations arising from or in connection with the Bonds and coupons in Swiss Francs and with the right to transfer without restriction all amounts required to be paid under the Bonds and Coupons;

(c) the Issuer and the New Issuer have entered into such documents as are necessary to give effect to such substitution and provided copies of these documents to the Bondholders' Representative;

(d) the New Issuer has obtained any necessary governmental authorizations of the country of its domicile or its deemed residence; and

(e) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Bondholders' Representative.

The Principal Paying Agent is entitled to appoint one or more experts at the expenses of the Issuer for the assistance of the Principal Paying Agent in making its assessments.

Any substitution shall be published in accordance with Condition 15. In the event of such substitution, any reference to the Issuer in these Conditions shall be deemed to refer to the New Issuer.

By subscribing to or otherwise acquiring, any of the Bonds or coupons, the Bondholders expressly consent to the Issuer substituting for itself as principal debtor under the Bonds or the coupons the New Issuer subject to the provisions of this Condition 12.

13. Listing

The Issuer will use its reasonable efforts to procure that the Bonds are listed on SIX Swiss Exchange and to maintain such listing during the whole life of the Bonds.

14. Severability

If at any time any or more of the provisions of the Conditions is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

15. Notices

All notices to Bondholders regarding the Bonds shall be published by the Principal Paying Agent in accordance with the applicable regulations of the SIX Swiss Exchange and the directions by or after consultation with and at the expense of the Issuer in due time and shall be valid as soon as published electronically on the internet website of SIX Swiss Exchange under the section headed "Official Notices" (https://www.six-group.com, where notices are currently published under the address "https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/").

16. Governing Law and Jurisdiction

(a) **Governing Law:** These Conditions, the Bonds and/or the coupons shall be subject to and governed by substantive Swiss law (i.e. without regard to the principles of conflict of laws).

(b) **Jurisdiction:** Any dispute which might arise between Bondholders on the one hand and the Issuer on the other hand regarding these Conditions, the Bonds and/or the coupons shall be settled in accordance with Swiss law, the exclusive place of jurisdiction being Zurich 1, Switzerland, with the right of appeal to the Swiss Federal Court of Justice in Lausanne, when the law permits, the decision of which will be final.

TERMS OF THE BONDS – TRANCHE C

The terms and conditions of the Tranche C fixed rate bonds (each a "**Condition**", and together the "**Terms of the Bonds**"), issued by SIKA AG, are established pursuant to the Bond Purchase and Paying Agency Agreement. The Terms of the Bonds govern the rights and obligations of the Issuer and the Bondholders (as defined below) in relation to the Bonds (as defined below) and are as follows:

1. Form, Denomination, Certification, Printing and Delivery of the Bonds

(a) The Bonds are issued in the initial aggregate principal amount of CHF 300,000,000 and are divided into Bonds with denominations of CHF 5,000 (five thousand Swiss francs) per Bond (each, a "**Bond**").

SIKA AG (the "**Issuer**") reserves the right to reopen this issue and increase the aggregate principal amount at any time and without prior consent of or permission of the Bondholders (as defined below) through the issue of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate) (the "**Reopening**").

(b) The Bonds and all rights in connection therewith are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities *(einfache Wertrechte)*. The uncertificated securities *(einfache Wertrechte)* will be created by the Issuer by means of a registration in its register of uncertificated securities *(Wertrechtebuch)*. Such uncertificated securities *(einfache Wertrechte)* will then be entered into the main register *(Hauptregister)* of the SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities *(einfache Wertrechte)* are registered in the main register *(Hauptregister)* of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities *(Bucheffekten)* ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act *(Bucheffektengesetz*).

(c) So long as the Bonds are in the form of Intermediated Securities, the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

(d) The records of the Intermediary will determine the number of Bonds held through each participant in the Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the holders of the Bonds (the "**Bondholders**") will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their own name.

(e) The conversion of the uncertificated securities (*einfache Wertrechte*) into a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated securities (*Wertpapiere*) is excluded. Neither the Issuer nor the Bondholders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*einfache Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde auf Dauer*) or definitive Bonds (*Wertpapiere*) (*ausgeschlossener Titeldruck)*.

2. Status and Negative Pledge

2.1 <u>Unsubordinated debt securities</u>

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2.2) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, subject to Condition 2.2, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, except for such preferences as are provided for by any mandatorily applicable provision of law.

2.2 Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will procure that none of its Material Subsidiary will create or have outstanding any guarantee, charge, pledge, lien, mortgage or other form of encumbrance or security interest upon the whole or any part of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below), unless, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and ratably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Bondholders' Representative.

In these Conditions:

"**Relevant Indebtedness**" means any present or future indebtedness of the Issuer or any Subsidiary represented or evidenced by notes, bonds, debentures, or other securities which for the time being are or are capable of being, quoted, listed or ordinarily traded on any stock exchange, over-the-counter market or other securities market.

"**Material Subsidiary**" means any Subsidiary:

(i) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated net sales of the Issuer and its Subsidiaries taken as a whole, as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Issuer; or

(ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A report by two directors of the Issuer that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer and the Bondholders;

"**Subsidiary**" of any person means (i) a company more than 50 per cent. of the Voting Rights of which is owned or controlled, directly or indirectly, by such person or by one or more other subsidiaries of such person or by such person and one or more subsidiaries thereof or (ii) any other person in which such person, or one or more other subsidiaries of such person or such person and one or more other subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of an entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

3. Interest

3.1 Interest Rate

The Bonds bear interest on their outstanding principal amount from but excluding November 28, 2022 (the "**Issue Date**") at the rate of 2.35 per cent per annum, payable annually in arrear on November 28 of each year (the "**Interest Payment Date**"), commencing on November 28, 2023 and unless redeemed earlier, ending on and including November 28, 2028 (the "**Maturity Date**").

In these Conditions, the period beginning on but excluding the Issue Date and ending on and including the first Interest Payment Date and each successive period beginning but excluding an Interest Payment Date and ending on and including the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest is computed on the basis of twelve 30-day months of a 360-day year (30/360).

Interest payments are subject to the Swiss withholding tax of currently 35%.

If any Interest Payment Date (other than the Maturity Date (as defined in Condition 2.1 above)) would fall on a day that is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day (following). If the Maturity Date falls on a day that is not a Business Day, the payment of principal and interest will be made on the next Business Day, and no interest shall accrue for the period from and after the Maturity Date until such next Business Day.

"**Business Day**" means a day (other than a Saturday or Sunday) which is not marked as currency holiday for CHF in the Trading & Currency Holiday Calendar published by SIX Swiss Exchange.

3.2 Continuation of accrual of Interest

Each Bond will cease to bear interest where such Bond is to be redeemed or repaid pursuant to Conditions 4 or 7, from and including the due date for redemption or repayment unless payment of principal is improperly withheld or refused; in such event such Bond shall continue to bear interest at the aforesaid rate (both before and after judgment) and including the day on which all sums due in respect of such Bond up to that day are received by the Principal Paying Agent on behalf of the Bondholders.

4. Redemption and Purchase

4.1 Redemption at Maturity

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed by the Issuer at their principal amount (together with unpaid accrued interest to that date) on the Maturity Date.

4.2 Redemption at the Option of the Issuer (Acquisition Event)

If an Acquisition Event occurs, the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Acquisition Event Optional Redemption Date**")), redeem all, but not some only, of the Bonds at 101 per cent. of their principal amount (the "**Acquisition Event Redemption Price**"), together with any accrued and unpaid interest up to (and including) the Acquisition Event Optional Redemption Date, and provided that the Acquisition Event Optional Redemption Date shall fall no later than 75 days after the date on which the Acquisition Event shall have occurred.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.4 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.4 and not as provided in this Condition 4.2.

Any notice of redemption given under this Condition 4.2 will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 4.3 or Condition 4.5.

An "**Acquisition Event**" will occur if:

(i) on or before the Long Stop Date, the Issuer announces to the public that its acquisition of the MBCC Group, the former BASF Construction Chemicals, from an affiliate of Lone Star Funds, as announced by the Issuer on 11 November 2021, (the "**Acquisition**") will not proceed; or

(ii) the Issuer has not, on or before the Long Stop Date, announced completion of the Acquisition,

where "**Long Stop Date**" means 30 June 2023.

4.3 Redemption at the Option of the Issuer (Pre-Maturity Call)

The Issuer may, at any time from (and including) 3 months prior to maturity to (but excluding) the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Pre-Maturity Optional Redemption Date**"), redeem all, but not some only, of the Bonds at their principal amount together with interest accrued to but excluding the Pre-Maturity Optional Redemption Date.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.4 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.4 and not as provided in this Condition 4.3.

4.4 Redemption at the option of the Bondholders following Change of Control

If a Change of Control Put Event (as defined below) occurs, the holder of each Bond will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 4.2, 4.3 or 4.5) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but including) the Change of Control Put Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Bondholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bond must deliver such Bond to the specified office of any Agent at any time during normal business hours of such Agent falling within the period (the "**Change of Control Put Period**") of 30 days after the relevant Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Agent (a "**Change of Control Put Exercise Notice**").

Payment in respect of any Bond so delivered will be made on the date which is the fifth payment Business Day after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**"). A Change of Control Put Exercise Notice, once given, shall be irrevocable. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "**Change of Control Put Event**" below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 4.4 shall be construed accordingly.

In these Conditions:

A "**Change of Control Event**" shall occur if:

(i) an offer to acquire Shares, whether expressed as a public takeover offer (whether voluntary or mandatory), a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where:

(A) such offer is available to (aa) all holders of Shares, (bb) all holders of Shares other than the offeror and any persons acting in concert with such offeror, or (cc) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions (or a combination of the exceptions pursuant to (bb) and (cc)); and

(B) such offer having become or been declared unconditional with respect to acceptances, the Issuer becomes aware that the right to cast more than 33 1/3 per cent. of all the voting rights (whether exercisable or not) of the Issuer has become or will become unconditionally vested in the offeror and any persons acting in concert with the offeror; or

(ii) the Issuer consolidates with or merges into any other company, save where, following such consolidation or merger, shareholders of the Issuer immediately prior to such consolidation or merger have the right to cast 33 1/3 per cent. or more of the voting rights (whether exercisable or not) of such other company; or

(iii) the Issuer becomes aware that the right to cast more than 33 1/3 per cent. of all voting rights (whether exercisable or not) of the Issuer has become unconditionally vested directly or indirectly in any person (or in persons acting in concert with each other in respect of the exercise of such voting rights); or

(iv) the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, directly or indirectly, is acquired by one or more other persons acting in concert;

A "**Change of Control Put Event**" will be deemed to occur if:

(i) a Change of Control Event occurs; and:

(ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control Event and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:

(A) an investment grade credit rating (being BBB– from S&P or Fitch, and Baa3 from Moody’s, each as defined below, or their respective equivalents, or better) from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (being BB+ from S&P or Fitch, and Ba1 from Moody’s, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or

(B) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (for example, from Baa1 to Baa2 in the case of Moody’s, or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that, if on the Relevant Announcement Date the Bonds carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then only sub paragraph (A) will apply; and

(iii) in making any decision to downgrade or withdraw a credit rating pursuant to sub-paragraphs (ii)(A) and (ii)(B) above (as the case may be) or not to award a credit rating of at least investment grade as described in limb (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control Event or the Relevant Potential Change of Control Announcement;

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control Event (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control Event) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Bonds by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control Event seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds, or any other unsecured and unsubordinated long-term debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period;

"**Rating Agency**" means Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings Ltd. ("Fitch") or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("S&P") or any of their respective successors or any rating agency (a "Substitute Rating Agency") substituted for any of them by the Issuer from time to time in relation to the Bonds;

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control Event where within 180 days following the date of such announcement or statement, a Change of Control Event occurs; and

"**Shares**" means registered shares of the Issuer (as well as any other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares) which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

4.5 Clean-up Call Option

If, at any time, 80 per cent. or more in principal amount of the Bonds originally issued (and, for these purposes, any further securities issued pursuant to these Conditions will be deemed to have been originally issued) have been redeemed or purchased and cancelled, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their principal amount, together with interest accrued to (and including) the date fixed for such redemption or purchase.

Any Bonds which are the subject of Change of Control Put Exercise Notices which have been validly delivered pursuant to Condition 4.4 before the date on which notice is provided by the Issuer as referred to in the preceding paragraph shall be redeemed as provided in Condition 4.4 and not as provided in this Condition 4.5.

4.6 Purchases

The Issuer and the Issuer's Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. Any purchases shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal

Paying Agent for cancellation as set out below. If purchases are made by public tender, such tender must be available to all Bondholders alike.

The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or otherwise for the purposes of Condition 10.

4.7 Cancellation

All Bonds purchased by or on behalf of the Issuer and/or the Issuer's Subsidiaries may be surrendered for cancellation to the Principal Paying Agent and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

5. Payment / Taxation

The amounts required for the payment of interest on the Bonds (after deduction, where relevant, of the then applicable Swiss Withholding Tax; *Verrechnungssteuer*), the principal amount of the Bonds and any other payments in cash to be made under these Conditions will be made available in good time in freely disposable Swiss francs, which will be placed at the free disposal of the Principal Paying Agent in Switzerland. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Bondholders will not be entitled to any additional sum in relation thereto.

The receipt by the Principal Paying Agent of the funds in Swiss francs in Switzerland shall release the Issuer of its obligations under the Bonds to the extent of amounts paid by the Issuer. Upon receipt of the funds in Switzerland, the Principal Paying Agent will arrange for payment to the Bondholders.

The Issuer undertakes that payments to be made under these Conditions shall be made in freely disposable Swiss francs without collection cost to the Bondholders, and unless provided for by applicable law, without any restrictions, and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Bondholders and without requiring any affidavit or the fulfilment of any other formality, at the counters of UBS (the "**Principal Paying Agent**").

If, at any time during the life of the Bonds, the Paying Agent shall resign or become incapable of acting as Paying Agent as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Paying Agent may be substituted by a duly licensed major Swiss bank or branch of a major foreign bank in Switzerland chosen by the Issuer. In the event of such replacement of the Paying Agent, all references to the Paying Agent shall be deemed to refer to such replacement. Notice of such a replacement shall be published in accordance with Condition 15 hereof.

Payments in respect of the Bonds are subject to applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at the rate of thirty-five (35) per cent.

6. Undertakings

For as long as any Bond remains outstanding, the Issuer will inform the Principal Paying Agent of any event, circumstance or other matter that may be relevant for the Principal Paying Agent in connection with its functions set forth in these Conditions, and in particular of any event that constitutes an Event of Default.

7. Events of Default

If any of the following events ("**Events of Default**") occurs:

(a) **Non-Payment**: the Issuer fails to pay the principal of or any interest or other amount on any of the Bonds when due and such failure continues for a period of fourteen (14) calendar days; or

(b) **Breach of Other Obligations**: a default is made by the Issuer in the performance or observance of any covenant, condition or provision contained in these Conditions which is to be performed or observed on its respective parts and which default is incapable of remedy or is not remedied within thirty (30) calendar days after notice of such default and requiring it to be remedied shall be given to the Issuer by the Principal Paying Agent; or

(c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of the Issuer's Subsidiaries for or in respect of moneys borrowed or raised (x) is not paid when due or, as the case may be, within a period of fourteen (14) calendar days following such default or (y) becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or (ii) any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the Issuer or any of the Issuer's Subsidiaries is not honoured when due and called upon or, as the case may be, within a period of fourteen (14) calendar days following such default, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relevant indebtedness, either alone or when aggregated with other indebtedness in respect of which any such event has occurred and is continuing, has an outstanding nominal value of CHF 150 million (or its equivalent in another currency) or more; or

(d) **Insolvency**: the Issuer or any of the Issuer's Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, or proposes or makes a stay of execution; or

(e) **Postponement:** a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of the Issuer's Material Subsidiaries or a liquidator is appointed with respect to the Issuer or a Material Subsidiary; or

(f) **Dissolution or merger:** a dissolution, winding-up, liquidation or merger involving the Issuer as a result of which the Issuer is not the surviving company, unless the successor legal entity assumes all of the Issuer's liabilities; or

(g) **Change of legal or commercial structure:** the Issuer or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of a substantial part of its assets, change in the objects of the legal entity and/or commercial activities or merger, insofar as the relevant action, in the Bondholders' Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Bondholders' Representative considers the situation of the Bondholders as adequately protected based on securities created or other steps taken by the Issuer; or

(h) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Bonds (as the case may be);

then the Principal Paying Agent may, and if so directly requested by a resolution of a meeting of Bondholders shall, subject in each case to it being indemnified to its satisfaction, give notice to the Issuer that the outstanding Bonds are immediately due and payable at their principal amount, together with accrued interest and costs unless, prior to the time when the Issuer receives such notice, the relevant Event of Default shall have been cured, to the satisfaction of the Bondholders' Representative or otherwise made good

The Issuer undertakes to inform the Principal Paying Agent in its capacity as Bondholders' representative (the "**Bondholders' Representative**") without delay if any event mentioned under para. (b) through (h) has occurred and to provide the Bondholders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Bondholders' Representative has the right but not the obligation to serve a written notice of default ("**Default Notice**"), such notice having the effect that the Bonds shall become immediately due and payable at par plus accrued interest, if any, on the day the Default Notice is given. The Bondholders' Representative is entitled to appoint one or more experts at the expenses of the Issuer for the assistance in making its assessments whether an Event of Default occurred or not.

8. Prescription

Claims for payment of principal and interest cease to be enforceable by legal action in accordance with the applicable statute of limitations under Swiss law (presently after 10 years, in case of principal, and after 5 years, in case of interest, from their relevant due dates).

9. Enforcement of Rights

The Bondholders shall not be entitled to exercise any right or option, if these Conditions provide that such right or option shall be exercised by the Principal Paying Agent on behalf of the Bondholders.

10. Meetings of Bondholders; Modifications; Waivers

The Principal Paying Agent may consult with the Bondholders by way of calling a meeting of the bondholders (a "**Bondholders' Meeting**") prior to taking a decision pursuant to section 7 of these Terms of the Bonds. The meetings of Bondholders shall be governed by Articles 1157 et seq. CO. The legally valid resolution of the Bondholders' meeting to serve a Default Notice, shall replace the right reserved by the Principal Paying Agent according to these Terms of the Bonds to serve a Default Notice on behalf of the Bondholders. If the Bondholders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Principal Paying Agent whereby the Principal Paying Agent shall not be bound by the resolution of the Bondholders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

11. Amendment to the Conditions

The Principal Paying Agent may, without the consent of the Bondholders, agree to any modification or arrangement of the Terms of the Bonds which, in the opinion of the Principal Paying Agent, is of a formal, minor or technical nature or is made to correct a manifest error.

12. Substitution of the Issuer

The Issuer may be replaced by another Issuer (the "**New Issuer**") at a later date as the direct debtor of the Bonds, provided that the Issuer shall request prior approval from the Principal Paying Agent on behalf of the Bondholders. Such approval shall not be unreasonably withheld if, in the sole opinion of the Principal Paying Agent:

(a) the interests of the Bondholders are satisfactorily protected, in particular with regard to their status under applicable tax law;

(b) the New Issuer is able to fulfil all payment obligations arising from or in connection with the Bonds and coupons in Swiss Francs and with the right to transfer without restriction all amounts required to be paid under the Bonds and Coupons;

(c) the Issuer and the New Issuer have entered into such documents as are necessary to give effect to such substitution and provided copies of these documents to the Bondholders' Representative;

(d) the New Issuer has obtained any necessary governmental authorizations of the country of its domicile or its deemed residence; and

(e) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Bondholders' Representative.

The Principal Paying Agent is entitled to appoint one or more experts at the expenses of the Issuer for the assistance of the Principal Paying Agent in making its assessments.

Any substitution shall be published in accordance with Condition 15. In the event of such substitution, any reference to the Issuer in these Conditions shall be deemed to refer to the New Issuer.

By subscribing to or otherwise acquiring, any of the Bonds or coupons, the Bondholders expressly consent to the Issuer substituting for itself as principal debtor under the Bonds or the coupons the New Issuer subject to the provisions of this Condition 12.

13. Listing

The Issuer will use its reasonable efforts to procure that the Bonds are listed on SIX Swiss Exchange and to maintain such listing during the whole life of the Bonds.

14. Severability

If at any time any or more of the provisions of the Conditions is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

15. Notices

All notices to Bondholders regarding the Bonds shall be published by the Principal Paying Agent in accordance with the applicable regulations of the SIX Swiss Exchange and the directions by or after consultation with and at the expense of the Issuer in due time and shall be valid as soon as published electronically on the internet website of SIX Swiss Exchange under the section headed "Official Notices" (https://www.six-group.com, where notices are currently published under the address "https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/").

16. Governing Law and Jurisdiction

(a) **Governing Law:** These Conditions, the Bonds and/or the coupons shall be subject to and governed by substantive Swiss law (i.e. without regard to the principles of conflict of laws).

(b) **Jurisdiction:** Any dispute which might arise between Bondholders on the one hand and the Issuer on the other hand regarding these Conditions, the Bonds and/or the coupons shall be settled in accordance with Swiss law, the exclusive place of jurisdiction being Zurich 1, Switzerland, with the right of appeal to the Swiss Federal Court of Justice in Lausanne, when the law permits, the decision of which will be final.

THE ISSUER AND ITS BUSINESS

Corporate Information

Name, Registered Office, Commercial Register, Incorporation, Duration

The Issuer is a corporation (*Aktiengesellschaft*) organized under the laws of Switzerland, incorporated on June 17, 1993 with an unlimited duration. The Issuer is registered under the company name "Sika AG" with the Commercial Register of the Canton of Zug under the company number CHE-106.919.184.

The Issuer maintains its registered office and its corporate head office at Zugerstrasse 50, 6340 Baar, Switzerland.

Articles of Association and Corporate Purpose

The Issuer's articles of association (the "**Articles of Association**") were last amended on February 15, 2022. Article 1(2) of the Issuer's Articles of Association defines the corporate purpose of the Issuer as follows (non-binding translation of the original and binding German version of the Articles of Association):

> *"The purpose of the Company is the participation in companies of all types and particularly the financing of companies for the production of, application of, and trade in and with, special products as well as services for the building trade and the industry in Switzerland and abroad.*
>
> *Furthermore, the Company may conduct any business suitable for promoting and facilitating the development of the Company and the achievement of the purpose of the Company, including the acquisition of real estate."*

Notices

Statutory publications of the Issuer are made in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). Notices to shareholders are given by publication in the Swiss Official Gazette of Commerce.

Financial Year

According to article 15(1) of the Issuer's Articles of Association, the financial year of the Issuer begins on January 1 and closes on December 31.

Auditors

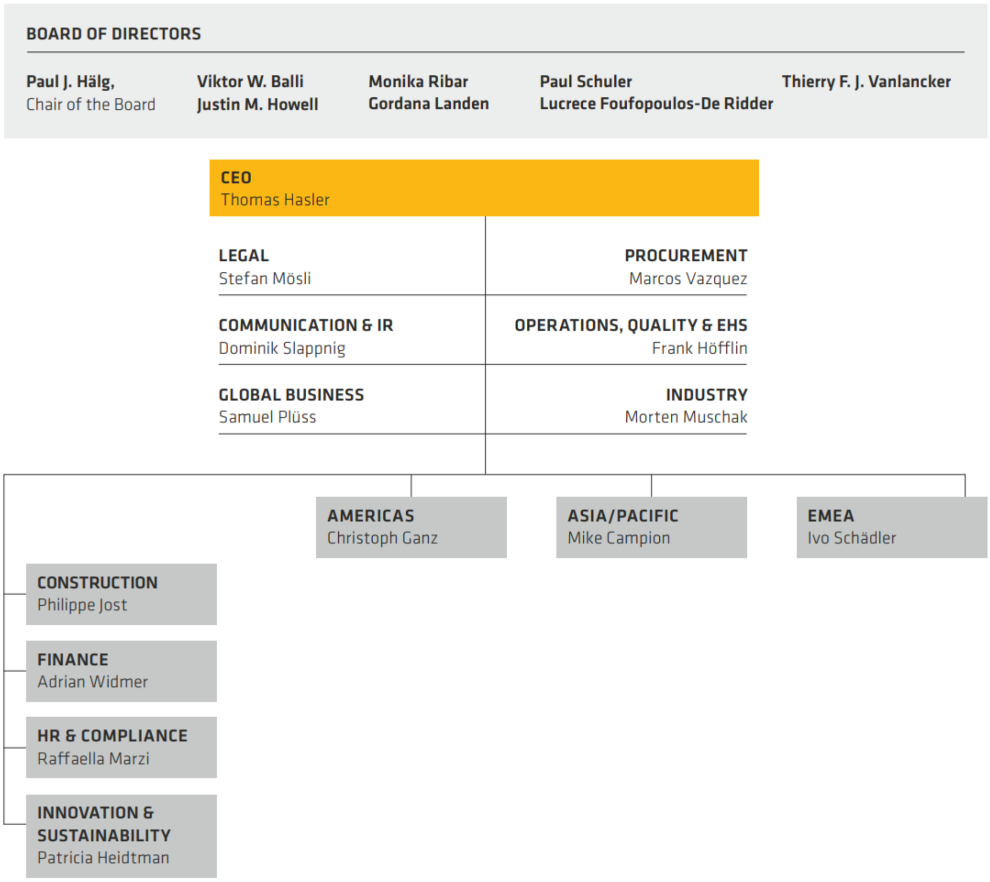
The auditors are elected by the Issuer's annual ordinary general meeting of shareholders for a term of one year. Ernst & Young AG, Maagplatz 1, 8005 Zurich (CHE-491.907.686) served as the Issuer's auditors for the financial year 2021. The Issuer's auditors are supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA) (Eidgenössische Revisionsaufsichtsbehörde, RAB). Ernst & Young AG's FAOA register number is 500646.

With Ernst & Young AG having acted as the Issuers auditors since 1995, the issuer elected KPMG AG, Badenerstrasse 172, 8004 Zurich (CHE-106.084.881) as new auditors at the Annual General Meeting on April 12, 2022 in the interests of good corporate governance. KPMG AG's FAOA register number is 501403.

Group Structure

The Sika Group is headed by the listed company Sika AG, headquartered in Baar, Switzerland. Sika conducts its worldwide activities according to countries that have been classed into regions with area-wide managerial functions. See *"—Business Activities—Geographical Markets*". The heads of the regions are members of Sika Group's management team. Sika has geared its internal organization towards eight target markets from the construction industry or from industrial manufacturing industry. See "*—Business Activities—Target Markets*". The Group's target markets are represented in Sika Group's management team with two members.

The chart below illustrates the Sika Group's structure of the regions, target markets and other group functions as of the date of this Prospectus (for further information on Sika Group's market segments, see "*—Business Activities—Geographical Markets*"):



The Sika Group encompassed unlisted subsidiaries in over 100 countries across the globe. As of December 31, 2021, a total of 225 companies were included in the Group's scope of consolidation. For a list of the Issuer's subsidiaries, including respective jurisdiction of incorporation and capital stock, see "*List of Group Companies*" in the notes to the Issuer's audited consolidated financial statements for the year ended December 31, 2022, which are incorporated by reference into this Prospectus.

Business Activities

Overview

The Issuer is the holding company of the Sika Group. Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing and protecting in the building sector and motor vehicle industry. Sika has subsidiaries in over 100 countries around the world and manufactures in over 300 factories.

In the 2021 financial year, the Sika Group had more than 27,000 employees, which generated net sales of CHF 9,252.3 million (previous year: CHF 7,877.5 million), an operating profit of CHF 1,391.4 million (previous year: CHF 1.130.5 million) and a net profit of CHF 1.048.5 million (previous year: CHF 825.1 million).

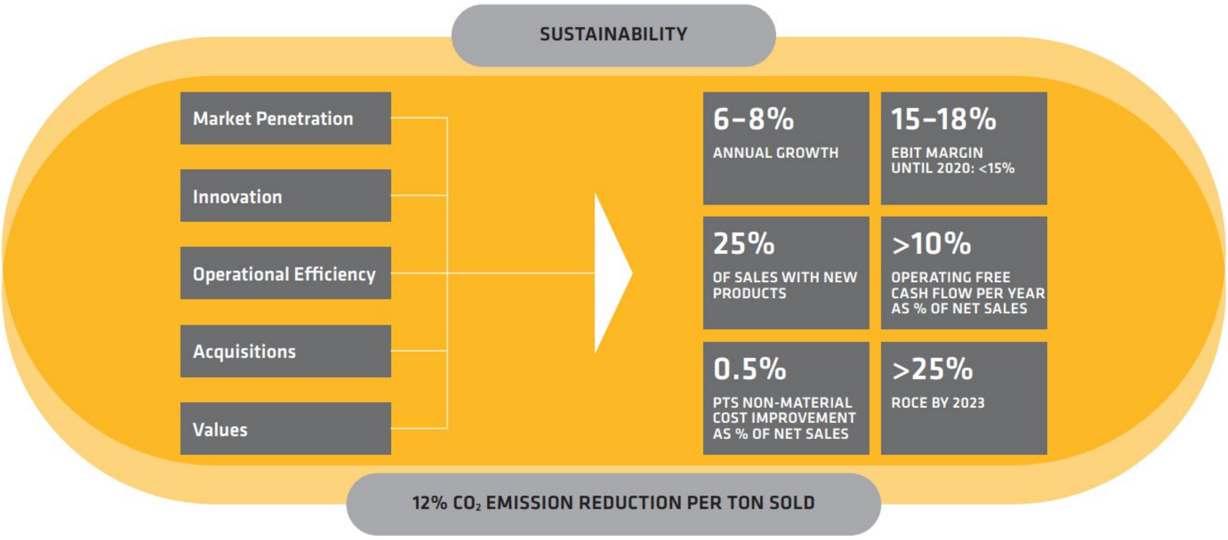
During the six months period ended on June 30, 2022, the Sika Group generated net sales of CHF 5,250.3 million (previous year's period: CHF 4,448.7 million), an operating profit of CHF 841.9 million (previous year's period: CHF 685.9 million) and a net profit of CHF 598.8 million (previous year: CHF 494.7 million).

For further information on the Issuer's result of operations and financial conditions, see the audited consolidated financial statements for the year ended December 31, 2021 and the unaudited interim consolidated financial statements for the six months period ended on June 30, 2022, each as incorporated by reference into this Prospectus.

Strategy

The Sika Group's business model is aimed at ensuring long-term success and profitable growth. In the course of the 2019 financial year, the Sika Group developed and launched its latest corporate strategy. In addition to more ambitious financial targets, important elements include a focus on operational efficiency, an increase in market penetration, and the targeted orientation on environmentally friendly products and sustainability.

The strategic targets include annual growth in local currencies of 6–8% and an increased EBIT margin target of 15–18%, which is to be achieved from 2021 onward. In addition to the financial targets, Sika Group's "Strategy 2023" focuses on six pillars, namely sustainability, market penetration, innovation, operational efficiency, acquisitions, and values:



Sustainability

With its newly defined sustainability targets for the reduction of energy and water consumption, as well as waste, the Sika Group aims to minimise its need for resources and the environmental impacts of the production process. Sika Group's goal is to reduce CO_2 emissions per ton sold by 12% by 2023. The Sika Group is committed to reach net-zero global emissions no later than 2050. For further information on Sika's sustainability strategy, see "*Sustainability – ESG*".

Market penetration

One strategic pillar of the new Strategy 2023 is an increase in market penetration. In addition to the establishment of the eighth Target Market – "Building Finishing" – the focus will be above all on the intensification of key project management, the further development of distribution channels, and an expansion of the product portfolio and its distribution in emerging markets.

Innovation

By 2023 the company aims to generate 25% of sales with products that have been launched on the market in the last five years. Sika Group's innovation is determined by the needs of its customers. These needs feed into both fundamental and applied research. Furthermore, the company has committed itself to ensuring that every new product must offer a higher performance as well as additional sustainability benefits. Already today, the Sika Group offers its clients a broad spectrum of environmentally friendly product technologies.

Investments in Research and Development ("**R&D**") have led to the launch of a large number of new products in all target markets in recent years. In 2021, the Sika Group spent roughly 2.3 per cent. (previous year: 2.5 per cent.) of sales on R&D.

Operational efficiency

To a significant extent, the Sika Group aims to achieve the improvement in margins through operational efficiency. Projects in the areas of operations, logistics, procurement, and product formulation are expected to result in an annual improvement in operating expenses equivalent to 0.5% of net sales.

Acquisitions

Organic growth, i.e. growth driven by entrepreneurial endeavour, is at the core of Sika's corporate strategy. This organic growth is enhanced by carefully targeted external growth and acquisitions are thus an important element of the growth strategy of the Sika Group, enabling the Group to enhance its core business with complementary technologies, improved market access, or expanded distribution channels. The focused approach allows the Sika Group to establish the acquired businesses as platforms for additional growth.

Values

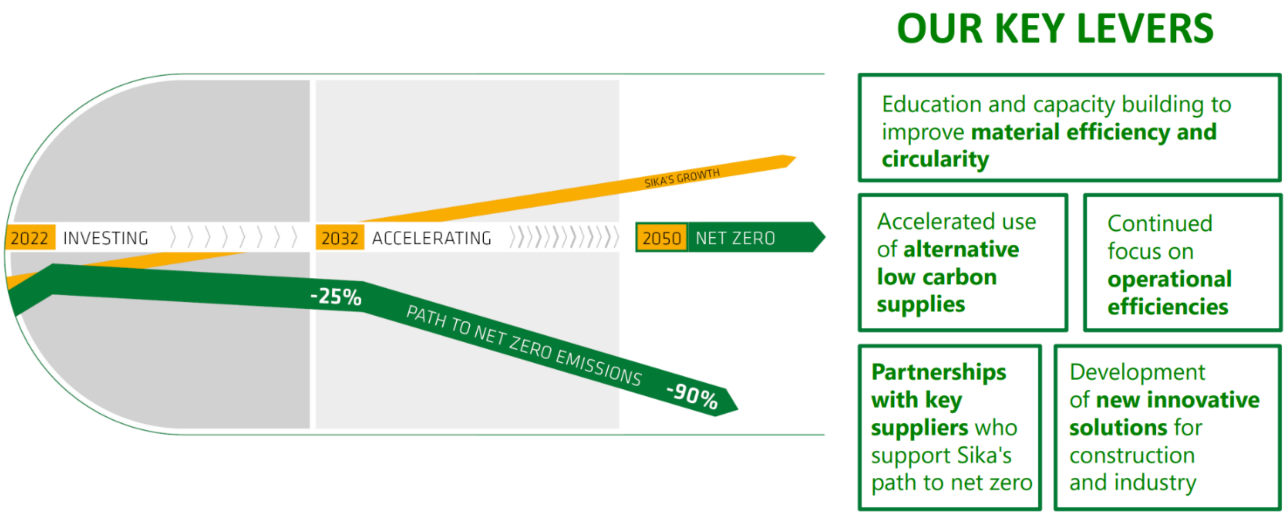
The Sika Group takes a long-term perspective on the development of its business and acts with respect and responsibility towards customers, stakeholders and employees. The future success of the company is not only dependent on pursuing the right strategy, but is just as much based on the trust and dedication of all Sika Group employees. The Sika Group believes in the competence and the entrepreneurial spirit of its employees.

Sustainability

The world is changing: Economic challenges resulting from the pandemic persist, societies are growing dependent on digital systems, and greenhouse gas ("**GHG**") emissions are rising. The performance of a company is no longer solely measured based on financial metrics, but ESG (Environmental, Social, and Governance) metrics are becoming equally important. Sika considers this as a major opportunity, as it believes to have the ability to drive the change towards a more sustainable society. As a technology leader with a global presence, Sika focuses on creating value for all stakeholders across the entire value chain – always considering economic, environmental, and social aspects in all its activities.

Sika believes that it can make the largest positive impact by developing and offering innovative technologies which allow the construction and transportation industry to be more sustainable – helping customers to construct healthier and safer buildings and vehicles with a lower carbon footprint. With its products and solutions and clearly defined strategic targets, Sika actively contributes to the United Nations Sustainable Development Goals (UN SDGs).

The progress made on the strategic sustainability targets is closely monitored and measured. To make sure immediate action is taken and to increase engagement in the organization, there is a clear structure of accountability in place, whereby economic and ESG performance are transparently integrated into incentive programs for senior management. After having presented its Sustainability Roadmap in 2021, Sika continues its sustainability journey, maintaining a focus on net zero with a Science Based Target initiative (SBTi) commitment. In its commitment to help reach net zero global emissions by 2020, the Sika Group aims to reduce its global emissions by 25% by the year 2032 and by 90% by the year 2050. The Sika Group is committed to use low-carbon energy for 100% of its equipment, to use 100% renewable electricity and to decarbonize its vehicle fleet by 2050. The Sika Group will submit their targets for validation by the SBTi over the next 24 months.



In 2021, Sika nominated Patricia Heidtman as the new Chief Innovation and Sustainability Officer and member of Group Management. Combining leadership for innovation and sustainability will allow Sika to accelerate the integration of sustainability within the organization at all levels, and to become a leader within its industry. Furthermore, a network of four regional sustainability managers, coordinated by the innovation and sustainability team, has the objective to strengthen the rollout of the sustainability strategy at regional and local levels.

Until 2021, the sustainability activities across the Sika Group were coordinated by the communications & investor relations department. To facilitate the interaction and align the various initiatives, an internal Sika Sustainability Committee was established. This committee steers and coordinates all sustainability-related projects aimed at achieving sustainability targets and monitoring proper implementation of the sustainability strategy throughout the Sika Group. It also prepares the decision-making of group management on such topics. The committee is now chaired by the Chief Innovation and Sustainability Officer and meets monthly.

Sika's sustainability strategy is linked to its corporate strategy and encompasses six targets that cover the environmental, social, governance/economic dimensions. The environmental dimension includes targets regarding climate performance (i.e. a 12% reduction of CO_2eq emissions per ton sold), energy consumption (15% reduction per ton sold) and water efficiency. Within the governance/economic dimension Sika is focusing on its products by offering sustainable solutions and pioneering a comprehensive portfolio of customer-focused solutions, combining both higher performance and improved sustainability. Finally, within the social dimension Sika has set various tangible targets regarding community engagement and occupational safety.

Sika's sustainability targets contribute to the following eight of the 17 goals of the UN 2030 Agenda for Sustainable Development (UN SDGs): SDG3 – good health and well-being, SDG4 – quality education, SDG6 – clean water and sanitation, SDG8 – decent work and economic growth, SDG9 – industry, innovation and infrastructure, SDG11 – sustainable cities and communities, SDG12 – responsible consumption and production and SDG13 – climate action.

For further details, see also the "*Sustainability Report*" in the Issuer's annual report for the year ended December 31, 2022, which is incorporated by reference into this Prospectus.

Geographical Markets

The Sika Group carries out its worldwide activities according to regions which determine the segments of its financial reporting. The regional breakdown is based on unified economic areas and supply chain structures. Overarching leadership responsibility ensures integrated management from production to the customer.

During the 2021 business year, Sika Group's geographical markets were the following:

- EMEA, which includes Europe, Middle East and Africa;
- Americas, which covers the United States and Canada, Latin America, South America, Central America and the Caribbean; and
- Asia/Pacific, which covers East Asia, Southeast Asia, the Pacific area and India.

In addition to the geographical markets described above, certain activities of Sika are managed centrally on a global basis. These activities are reported in the "Global Business" market segment.

In 2021, the Group's net sales were split among the geographical markets as follows:

	EMEA	Americas	Asia/Pacific	Global Business(1)	Total
Net sales(2) in CHF million in 2021 (2020)	4,071.4 (3,495.4)	2,427.4 (2,012.2)	2,080.9 (1,723.2)	672.6 (646.7)	9,252.3 (7,877.5)

(1) "Global Business" includes activities which are managed centrally on a global basis. Sika's automotive business is a key part of these areas of this market segment. The Advanced Resins business has been reallocated from the Global Business segment to the geographical regions. The prior year has been restated accordingly.

(2) Net sales with third parties only. Net sales with other segments within the Group have been eliminated as further described in the notes to the annual consolidated financial statements for the year ended December 31, 2021, incorporated by reference into this Prospectus.

During the first six months of 2022, the Group's net sales were split among the geographical markets as follows:

	EMEA	Americas	Asia/Pacific	Global Business	Total
Net sales(1) in CHF million for the six-months period ended on June 30, 2022 (June 30, 2021)	2,190.5 (2,036.4)	1,535.7 (1,100.5)	1,130.9 (960.8)	393.2 (351.0)	5,250.3 (4,448.7)

(1) Net sales with third parties only. Net sales with other segments within the Group have been eliminated as further described in the notes to the interim consolidated financial statements for the six-months period ended June 30, 2022, incorporated by reference into this Prospectus.

With respect to current trading of the Group, see "—*Recent Developments—Trading Update*".]

Target Markets

Sika is active in eight target markets: concrete, waterproofing, sealing & bonding, roofing, flooring, refurbishment, industry, and, since 2019, building finishing. Sika's target markets are substantial markets with solid growth rates: In 2021, these markets were estimated to have a combined volume of more than CHF 70 billion, a figure that is predicted to rise to around CHF 80 billion by 2025.

Concrete

Sika develops and markets a complete range of admixtures and additives for use in concrete, cement, and mortar production. These products enhance specific properties of the fresh or hardened concrete, such as workability, watertightness, durability, load-bearing capacity, or early and final strength. The demand for admixtures and additives is currently on the rise, particularly due to the increased performance requirements placed on concrete and mortar, especially in urban areas and for infrastructure construction. Furthermore, the increasing use of alternative cementitious materials in cement, mortar, and therefore also in concrete, leads to a growth in the need for admixtures.

Waterproofing

Sika's system solutions for waterproofing cover the full range of technologies used for below and above-ground waterproofing: flexible membrane systems, liquid-applied membranes, waterproofing admixtures for mortars, joint sealants, waterproofing mortars, injection grouts, and coatings. Key market segments include basements, underground parking garages, tunnels, and all types of water-retaining structures (for example reservoirs, storage basins, and storage tanks). Waterproofing systems face increasingly stringent requirements regarding sustainability, ease of application, and total cost management. Therefore the selection of appropriate waterproofing systems to suit the needs and requirements of owners, as well as the treatment of specific project-related details, is key for long-lasting and watertight structures.

Roofing

Sika provides a full range of single-ply and built-up flat roofing systems incorporating both flexible sheet and liquid-applied membranes as well as thermal insulation and various roofing accessories. Demand in this segment is driven by the need for eco-friendly, energy-saving solutions such as green roof systems, cool roofs, and solar roofs, which simultaneously help to reduce CO_2 emissions. While refurbishment projects continue to gain significance in the mature markets, the emerging markets are moving towards higher-quality roof solutions for new build structures.

Flooring

Sika's flooring solutions are based on synthetic resin and cementitious systems for industrial and commercial buildings, for example pharmaceutical and food-sector production plants, public buildings such as educational and healthcare facilities, parking decks, and private residential properties. Each market segment is subject to its own particular requirements in terms of mechanical properties, safety regulations, anti-static performance, and chemical or fire resistance. Trends in the flooring market are being dictated by the growing significance of safety and environmental regulations, as well as customized technical requirements. The high volume of building alteration and conversion projects nowadays has boosted the importance of efficient solutions for the refurbishment of existing flooring systems.

Sealing & Bonding

Sika offers a wide range of high-performance and durable sealants, tapes, spray foams, and elastic adhesives for the building envelope, for interior finishing and for infrastructure construction. Typical applications include the sealing of movement joints between facade elements to make buildings weatherproof, the bonding of wood floors to reduce noise, or the sealing of joints in airport aprons. The growing demand in this market is fueled by an increasing awareness of the importance of high-performance sealants for the overall durability and energy efficiency of buildings, the increasing urbanization including the larger volumes of high-rise projects, and the continued replacement of mechanical fastening systems by adhesives due to better performance.

Refurbishment

This segment features repair, strengthening and protective solutions for concrete structures, such as repair mortars, non-shrinking high-strength grouts, anchoring adhesives, protective coatings, corrosion control and structural strengthening systems. Especially in developed markets, many structures are decades old and need to be refurbished. To address this market need, Sika provides technologies for the entire life cycle of commercial buildings and infrastructure constructions, as well as design and calculation software for structural engineers and designers. The present uptrend in demand is attributable to a rising volume of infrastructure rehabilitation projects in the transport, water management, and energy sectors, such as the construction and maintenance of wind energy farms. The global urbanization trend and the increasing need for renovation in developed markets are also fueling demand.

Industry

The markets served by Sika include automobile and commercial vehicle assembly (structural bonding, direct glazing, acoustic systems, reinforcing systems), automotive aftermarket (auto glass replacement, car body repair), marine vessels, industrial lamination, renewable energies (solar and wind), and facade engineering (structural glazing, sealing of insulating glass units). Sika is a technology leader in elastic bonding, structural adhesives, sealants, reinforcing, and acoustic applications – serving the world's leading industrial manufacturers. Customers rely on Sika solutions to enhance product performance and durability while optimizing manufacturing efficiency. For example, Sika's solutions address key megatrends in vehicle design, leading to lighter, stronger, safer, quieter, and more efficient vehicles, while fast-processing materials and compatibility with automation optimize productivity.

Building Finishing

The eighth target market, "Building Finishing", allows the Sika Group to focus more intensively on a fast-growing, attractive market. Sika provides a comprehensive set of solutions dedicated to tile setting, facade protection and decoration, as well as interior wall finishing, for both residential and commercial buildings. The offering comprises tile adhesives and tile grouts, as well as systems for under-tile waterproofing and sound reduction. Furthermore, it includes products for exterior and interior walls, such as wall-levelling products, decorative finish renders, and facade External Insulation Finish Systems (EIFS). Sika sees the global urbanization trend and the increasing need for home improvement as further fueling this market. With its building finishing market segment, Sika aims to address the increasing demand for quality, comfort, aesthetics, and environmentally friendly solutions.

Acquisitions

Organic growth, i.e. growth driven by entrepreneurial endeavor, is at the core of Sika's corporate strategy. This organic growth is enhanced by carefully targeted external growth, which offers Sika a way of closing existing gaps in access to target markets and consolidating fragmented markets. Particularly in North America, Asia, and parts of Europe and Latin America, Sika pursues this policy as a means of steadily improving its market position. At the same time, however, the company seeks to strengthen or extend its core business through the selective acquisition of related technologies, which it mainly finds in medium-sized enterprises in Europe, the USA and certain Asian countries.

MBCC Acquisition

In November 2021, Sika signed a definitive agreement to acquire MBCC Group, the former BASF Construction Chemicals, from an affiliate of Lone Star Funds, a global private equity firm, for a consideration of CHF 5.5 billion (EUR 5.2 billion).

Headquartered in Mannheim, Germany, MBCC Group is a global construction chemicals company with annual sales of approximately CHF 2.9 billion (EUR 2.7 billion). With its broad and balanced product offering, MBCC Group participates in all phases of the construction life cycle and is a key contributor to the decarbonization of the construction industry. MBCC Group has operations in over 60 countries with approximately 7,500 employees and more than 130 production facilities. The company operates its business through two core business segments: the "Admixtures Systems" segment, which includes ready-mix, site-mix, precast and manufactured concrete products, cement additives and underground construction, and the "Construction Systems" segment, which includes cementitious mortars, concrete repair and protection, flooring systems, tile adhesives, waterproofing systems and sealants.

Sika expects that the MBCC Acquisition has the potential of generating annual synergies of CHF 160 million to CHF 180 million by 2025/2026. Sika management considers the transaction to be highly complementary across almost all of Sika’s core technologies, applications, and solutions. The combined company will drive the sustainability transformation of the construction industry further and faster.

The transaction is subject to regulatory approvals. As of end of September 2022, unconditional approval has been received in most jurisdictions, including Japan, China, Brazil, South Africa, Saudi Arabia, Turkey, and Thailand. In North America, Europe and Australia/New Zealand the condition to divest the admixture business has been imposed. A process has been started to look for a competent buyer for part of MBCC's admixture business. So far, conditions imposed by regulators are expected to result in divestments corresponding to up to CHF 850 million in net sales, with expected CHF 2,150 million in net sales from the MBCC Acquisition remaining for the Group. The closing of the MBCC Acquisition is currently targeted for the first half of 2023.

Other acquisitions in 2021 and 2022

In March 2021, Sika took over the flooring adhesives business of DriTac, a US-based floor covering adhesives company with an especially strong position in wood floor bonding. The acquisition contributes to Sika's increased presence among floor covering installers and distributors, while accelerating Sika's expansion in the interior finishing market in the USA. In 2020, DriTac reported sales of CHF 20 million.

In April 2021, Sika acquired Kreps LLC, a leading mortar manufacturer in Russia. The company offers a wide range of mortar products for interior and exterior finishing, complementing the existing portfolio and geographical footprint. Kreps generates annual sales of CHF 15 million and operates production plants in Saint Petersburg and Yekaterinburg.

In May 2021, Sika acquired Supermassa do Brasil Ltda, a mortar manufacturer which operates under the brand BR Massa in the Brazilian market. The acquisition enhances Sika's position in the region of Minas Gerais, one of the strongest economic regions in Brazil, and complements the production footprint. The enhanced access to the distribution channel, supported by the expanded local supply chain, contribute to the continued penetration of the Brazilian market.

Sika acquired American Hydrotech Inc. in the USA and its affiliate Hydrotech Membrane Corporation in Canada in July 2021. Hydrotech is an experienced and highly regarded liquid membrane manufacturer and provider of full-system roofing and waterproofing solutions. In the fast-growing green/garden roof segment, Hydrotech is the clear North American market leader. The acquisition strengthens Sika's roofing and waterproofing portfolio and complements Sika's sustainability focus. The acquired company reported sales of CHF 83 million in 2020.

In October 2021, Sika finalized the acquisition of Shenzhen Landun Holding Co., Ltd., a manufacturer of waterproofing systems in China. The company offers a comprehensive range of waterproofing products and technologies, perfectly complementing Sika's existing portfolio. The combined offering provides new growth opportunities in the fast-growing Chinese waterproofing market.

In early November 2021, Sika agreed to acquire Hamatite, the adhesives business of The Yokohama Rubber Co., Ltd. Hamatite is a market leader in Japan, offering adhesives and sealants to the automotive and construction industries. The acquisition significantly strengthens Sika's market position in Japan, increases market access to all major Japanese OEMs, and notably extends the product offering for sealing and bonding applications in the Japanese construction industry. Headquartered in Tokyo, the business generates annual sales of CHF 160 million.

In March 2022, Sika acquired Sable Marco Inc., a manufacturer of cementitious products and mortars in Canada. Headquartered in Pont Rouge, close to Québec City. The complementary acquisition will opens up new opportunities for Sika in the Eastern region of Canada and clearly improves Sika's access to the retail distribution channel. The acquired business generates annual sales of CHF 20 million.

In May 2022, Sika acquired United Gilsonite Laboratories in the United States, a well recognized manufacturer of products for consumer and DIY waterproofing applications. Their product portfolio is sold through the distribution channel and can be found in major retailers in the USA. The acquired business complements Sika's high value-added systems for concrete and masonry waterproofing and refurbishment. In 2021, it generated sales of CHF 65 million.

For further information on the Issuer's acquisitions during the business year ended December 31, 2021 and during six-months period ended on June 30, 2022, refer to "*Acquisitions 2021*" in the notes to Sika's audited consolidated financial statements for the year ended December 31, 2021 respectively to "*Acquisitions 2022*" in the notes to Sika's interim consolidated financial statements for the six months ended June 30, 2022, both incorporated by reference into this Prospectus.

Research, Patents and other Intellectual Property

Innovation and research are dynamic components of Sika's long-term success and future growth. Multiple large-scale projects are cultivated simultaneously around the globe. Securing and enforcing patents is an active part of protecting Sika's intellectual property. Sika believes that its competitive position significantly depends upon its R&D capabilities and its intellectual property portfolio, in particular patents

Sika's research activities are carried out by more than 1,200 employees across 21 global technology centers worldwide, with Switzerland as a key location. The research program targets the development of proprietary technology that provides key performance benefits and thus allows Sika's product platforms to respond to global trends such as resource-saving building methods, energy-efficient and low emission construction materials, high-speed manufacturing methods, or lighter and safer vehicles. Key projects focus on high-performance molecules with unique features, smart refining techniques for polymers and surfaces, and tailored laboratory equipment allowing quick scale-up to full-size production. Sika complements its internal research efforts by working with major universities and scientific institutes on fundamental technologies. Sika also participates in international research projects and networks.

Sika maintains exclusivity over its products through the systematic registration of its intellectual property rights. In the course of the 2021 business year, 150 new inventions were reported (in 2020: 123) and 99 new patent applications were filed (in 2020: 83). As of December 31, 2021, the Sika's patent portfolio included more than 980 unique patent families with more than 4,200 single national patents. Some of the Group's know-how is, however, not capable of being patented and for confidentiality and other reasons the Group does not file for patent protection for all of its technological know-how. See "*Risk Factors—Risks Relating to the Sika Group—The Group may not be able to protect its intellectual property, including its proprietary technology, which could harm the Group's business and competitive position*". Technology know-how which is not patented by the Group is secured by means of non-disclosure agreements and other agreements regarding the protection of intellectual property rights with its employees, partners of research and development projects as well as customers.

In addition to the patents and other technological knowhow referred to above, Sika protects its product names and its other brands by way of a registration of such product names and brands as trademarks. The Sika umbrella brand and some 980 Sika product trademarks, such as Sika® ViscoCrete®, SikaBond® or Sikaflex®, sharpen the Group's competitive edge. For this reason, trademark protection is a management task that performed both globally at Group level and locally at national level. As of December 31, 2021, Sika held 9,258 trademark registrations in more than 152 countries. The Group continuously monitors its trademarks and takes appropriate legal action in cases of infringement.

Employees

As of December 31, 2021, the Sika Group had a total of 27,059 employees (previous year: 24,848). The regional distribution of these employees is as follows: EMEA: 11,243 (previous year: 10,811), Americas: 6,002 (previous year: 5,195), Asia/Pacific: 6,976 (previous year: 6,163), Global Business: 2,157 (previous year: 2,035), and Corporate Services: 681 (previous year: 644).

In 2021 the highest growth of employees was recorded in the region Americas with an increase of 15.5% compared to 2020 as a result of acquisitions (+639 employees) and of a rebound after the pandemic impact in 2020 where the headcount decreased by 5.9%

As of June 30, 2022, the Sika Group had a total of 27,415 employees.

Court, Arbitral and Administrative Proceedings

The Group is, from time to time, involved in various claims and lawsuits incidental to the ordinary operations of its business. Except as otherwise disclosed in this Prospectus, the Group is currently not involved in any court, arbitral or administrative proceedings which are likely to have a material adverse effect on the financial position or results of operations of the Group nor, as far as the Group is aware, are any such proceedings threatened.

Recent Developments

On January 25, 2022, the extraordinary shareholders' meeting of Sika AG decided to increase the existing conditional capital by 3.2 million registered shares with a par value of CHF 0.01 each.

On May 6, 2022, Sika announced that it has entered in an agreement with respect to the sale of Aliva Equipment, a Swiss unit supplying machines for the application of shotcrete, to Normet Group Oy, a Finnish global company providing solutions for underground construction. In 2021, Aliva Equipment generated sales of CHF 12 million.

On October 21, 2022, the Issuer reported its results of operations for the first nine months of 2022. The Sika Group continued to perform well in a volatile economic environment and in the first nine months of the financial year 2022, Sales increased to CHF 7,998.5 million (+16.6%), corresponding to growth of 18.5% in local currencies. The currency effect amounted to –1.9%. The acquisition effect was 3.4%, corresponding to organic growth of 15.1% in the reporting period. The operating profit margin was maintained at a high level, at 15.4% (previous year's period: 15.4%). Operating profit (EBIT) amounts to CHF 1,231.5 million (previous year's period: CHF 1,054.0 million), corresponding to a year-on-year increase of 16.8%. EBIT includes a profit of CHF 168 million resulting from the divestment of the European industrial coatings business. It also contains expenses of CHF 39 million incurred in connection with the planned acquisition of MBCC. Net profit increased to CHF 885.9 million (previous year's period: CHF 765.1 million).

Financial Outlook

Certain statements in this section, including in particular the financial targets described immediately below, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Group's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "*Forward-Looking Statements*" and "*Risk Factors*".

In line with its Strategy 2023, the Sika Group is confirming its 2023 strategic targets and is aiming for an annual growth of 6-8% a year in local currencies by 2023. It is also aiming for a higher EBIT margin of 15-18%. Furthermore, projects in the areas of operations, logistics, procurement and product formulation should result in an annual improvement in operating costs equivalent to 0.5% of sales.

For the 2022 financial year, Sika is expecting a sales increase of well over 15% in local currencies, as well as an over-proportional increase in EBIT.

No Material Adverse Change

Other than as described herein, no material changes in the assets and liabilities, financial position and results of operations have occurred with respect to the Issuer (on a stand-alone basis) since December 31, 2021, or with respect to the Group since June 30, 2022.

BOARD OF DIRECTORS AND GROUP MANAGEMENT

Board of Directors

According to the Issuer's Articles of Association, the Issuer's board of directors (the "**Board of Directors**") consists of five or more members. The Issuer's general meeting of shareholders elects the members of the Board of Directors and the Chairman of the Board of Directors individually. Their term of office ends with the conclusion of the next ordinary general meeting of shareholders following the election. Re-election is possible.

As of the date of this Prospectus, the Board of Directors currently consists of the following eight members:

Name	Function	Committee memberships	First elected
Paul Hälg	Chairman	-/-	2009 2012 (chairman)
Monika Ribar	Member	Audit Committee (Chair)	2011
Justin Marshall Howell	Member	Nomination and Compensation Committee (Chair)	2018
Thierry Vanlancker	Member	Sustainability Committee (Chair), Nomination and Compensation Committee	2019
Victor Waldemar Balli	Member	Audit Committee, Sustainability Committee	2019
Paul Schuler	Member	-/-	2021
Lucrèce Foufopoulos-De Ridder	Member	Audit Committee, Sustainability Committee	2022
Gordana Landén	Member	Nomination and Compensation Committee	2022

The business address for each of the members of the Board of Directors is at the Issuer's registered office at Zugerstrasse 50, 6340 Baar, Switzerland.

Paul Hälg (1954), Swiss citizen, Dr. sc. techn., ETH Zurich, was appointed as a member of the Board of Directors in 2009 and since 2012, he serves as the Chairman of the Board of Directors. In addition, he is engaged in a number of different activities and functions outside of the Sika Group. Mr. Hälg chairs the board of Datwyler Holding AG, Altdorf, Switzerland (listed company) and therefore also of PEMA AG and Dätwyler Führungs AG, Altdorf, Switzerland. He is a member of the board of directors of Sonceboz Automotive SA, Sonceboz, Switzerland and chairs the Welfare Foundation Sika, Baar, Switzerland. In addition, Mr. Hälg is a member of the foundation councils of ETH Foundation, Zurich, Switzerland, Swisscontact, Zurich, Switzerland and REGA, Zurich, Switzerland.

Monika Ribar (1959), Swiss citizen, lic. oec HSG, was appointed as a member of the Board of Directors in 2011. She chairs Sika's Audit Committee. In addition, Ms. Ribar is also the chairwoman of the board of directors of SBB AG (Swiss Federal Railways), Bern, Switzerland and member of the board of directors IQ Group, Zurich, Switzerland.

Justin Marshall Howell (1971), Canadian citizen, LL.B and B.C.L (McGill University, Canada), was appointed as a member of the Board of Directors in 2018. Mr. Howell chairs Sika's Nomination and Compensation Committee. In addition, he is a member of the board of Canadian National Railway Company, Montreal, Quebec, Canada.

Thierry Vanlancker (1964), Belgian citizen, MSc Chemical Engineer (University of Gent, Belgium), was appointed as a member of the board of directors in 2019. He chairs Sika's Sustainability Committee and is a member of the Nomination and Compensation Committee. Mr. Vanlancker is also the CEO of Akzo Nobel N.V., the Netherlands and a member of the board of Aliaxis Group NV, Brussels, Belgium and Etex NV, Brussels, Belgium.

Victor Waldemar Balli (1957), Swiss citizen, M.A. Economics (University of St. Gallen (HSG), Switzerland) and MSc Chemical Engineer (Swiss Federal Institute of Technology in Zurich (ETH), Switzerland), was appointed as a member of the Board of Directors in 2019. Mr. Balli is a member of Sika's Audit Committee and Sustainability Committee. In addition to his mandate at Sika, Mr. Balli is a member of the board of directors of Givaudan SA, Vernier, Switzerland (listed company), Medacta International SA, Castel San Pietro, Switzerland (listed company) and KWS Saat SE, Einbeck, Germany (listed company). Furthermore, Mr. Balli is a member of the board of directors of the Swiss Federal Audit Oversight Authority (FAOA), Hemro AG, Bachenbülach, Switzerland and Louis Dreyfus Holding BV, Amsterdam, Netherlands.

Paul Schuler (1955), Swiss citizen, MBA (Graduate School of Business Administration, University of Washington/Zurich), was appointed as a member of the Board of Directors in 2021. He was CEO of Sika from 2017 until 2021 and member of the group management between 2007 and 2021. In addition to his mandate at Sika, Mr. Schuler also chairs the board of Swisspearl Group AG, Switzerland and is a member of the advisory council of Peri GmbH, Germany.

Lucrèce Foufopoulos-De Ridder (1967), Belgian and Swiss citizen, MSc Materials Engineering (University of Gent, Belgium), MSc Polymers & Composites Engineering (University of Leuven, Belgium) and Executive Business Education (Insead, Paris, France and IMD, Lausanne, Switzerland), was appointed as a member of the Board of Directors in 2022. She is a member of Sika's Audit Committee and Sustainability Committee. In addition, Ms. Foufopoulos-De Ridder is a member of the board of Royal Vopak, Rotterdam, Netherlands (listed company) and Borouge (a joint venture between Borealis and ADNOC), Abu Dhabi, UAE as well as member of the steering board of Plastics Europe (industry association with the purpose to make plastics more sustainable), Brussels, Belgium.

Gordana Landén (1964), Swedish citizen, BSc Human Resource Development and Labour Relations (University of Stockholm, Sweden), was appointed as a member of the Board of Directors in 2022. She is a member of Sika's Nomination and Compensation Committee. Ms. Landén is also the Chief HR Officer of Adecco Group, Zurich, Switzerland and a member of the foundation council of Adecco Innovation Foundation, Zurich, Switzerland.

Group Management

The Issuer's group management (the "**Group Management**") currently consists of eight members:

Name	Function
Thomas Hasler	Chief Executive Officer (CEO)
Mike Campion	Regional Manager Asia/Pacific
Christoph Ganz	Regional Manager Americas
Patricia Heidtman	Chief Innovation and Sustainability Officer
Philippe Jost	Head Construction
Raffaella Marzi	Head Human Resources & Compliance
Ivo Schädler	Regional Manager EMEA
Adrian Widmer	Chief Financial Officer (CFO)

The business address for each of the members of the Group Management is at the Issuer's registered office at Zugerstrasse 50, 6340 Baar, Switzerland.

Thomas Hasler (1965), Swiss citizen, Dipl. Ing. Chem. HTL, Executive MBA, is a member of the Group Management since and since 2021, he is Sika's Chief Executive Officer.

Mike Campion (1955), U.S. citizen, BSc Chemistry, is a member of the Group Management and the Regional Manager Asia/Pacific.

Christoph Ganz (1969), Swiss citizen, lic. oec. HSG, is a member of the Group Management and Regional Manager Americas and the General Manager of Sika USA.

Patricia Heidtman (1973), Swiss and U.S. citizen, MSc ETH, is a member of the Group Management and Sika's Chief Innovation and Sustainability Officer. In addition, she is a member of the board of the Bossard Group, Switzerland.

Philippe Jost (1971), citizen of Luxembourg, is a member of the Group Management and Sika's Head Construction. In addition, he chairs of the board of the Peikko Group, Finland.

Raffaella Marzi (1970), Italian citizen, admitted to the bar in Italy, is a member of the Group Management and Sika's Head Human Resources & Compliance.

Ivo Schädler (1966), Swiss and Liechtenstein citizen, MSc ETH Materials Eng., Executive MBA, is a member of the Group Management and the Regional Manager EMEA.

Adrian Widmer (1968), Swiss citizen, lic. oec. publ., is a member of the Group Management and Sika's Chief Financial Officer. In addition, he is a member of the board of directors of Sonova Holding AG, Switzerland

DESCRIPTION OF THE ISSUER'S CAPITAL STRUCTURE AND SHARES

Description of the Shares

Single Class of Registered Shares

Sika has a single class of registered shares with a nominal value of CHF 0.01 each (the "**Shares**"). Each Share carries one vote at general meetings of shareholders. The Shares rank *pari passu* with each other in all respects, including entitlement to dividends, to a share in the liquidation proceeds in case of liquidation of the Company and to pre-emptive rights. There are no voting rights restrictions that apply to registered shareholders, group clauses or rules on granting exceptions to such clauses.

Transfer Restrictions

The Issuer's Articles of Association do not provide for transfer restrictions with respect to the Shares. The Issuer may, however, deny registration of an acquirer of shares in the shareholders register if, upon the Issuer's request, the acquirer does not explicitly declare that the shares have been acquired in his/her/its own name and for his/her/its own account.

Form of the Shares

The Shares have been issued as uncertificated securities within the meaning of article 973c CO (*einfache Wertrechte*). In accordance with article 973c CO, the Company maintains a register of uncertificated securities (*Wertrechtebuch*). The Shares are registered as intermediated securities (*Bucheffekten*) within the meaning of the FISA.

Shareholders registered in the Issuer's share register may request a statement of their registered Shares at any time. Shareholders do not have a right to the printing and delivery of share certificates. The Issuer may however print and deliver share certificates at any time at its option.

Listing

The Shares are listed on the SIX Swiss Exchange according to the International Reporting Standard under the ticker symbol "SIKA".

Description of the Issuer's Share Capital Structure

Issued Share Capital

As of the date of this Prospectus, the Issuer had an issued share capital of CHF 1,531,272.30, divided into 153,127,230 fully-paid registered shares with a nominal value of CHF 0.01 each. One share represents one vote in the Issuer's general meeting of shareholders. The voting rights of treasury shares, if any, are suspended for as long as they are held by the Issuer and/or its subsidiaries. All shares earn the same dividend, except for the treasury shares which do not carry dividend rights.

Authorized Share Capital

As of the date of this Prospectus, Sika AG does not have an authorized share capital.

Conditional Share Capital

Pursuant to the Issuer's Articles of Association, as in force as of the date of this Prospectus, the Issuer may increase its share capital by a maximum amount of CHF 74,432.50, through the issuance of a maximum of 7,443,250 Shares (which represents approx. 5 % of the outstanding share capital as of the date of this Prospectus) out of conditional share capital. These shares are reserved for the exercise of option or conversion rights which were granted on a stand-alone basis or in connection with bonds or other debt financing instruments by the Issuer or any of its subsidiaries. The relevant provision of the Issuer's Articles of Association (article 2(4)) reads as follows (non-binding translation of the original and binding German version of the Articles of Association):

> *"The share capital of the Company is increased through the issuance of a maximum of 7,443,250 fully paid-up registered shares with a nominal value of CHF 0.01 each, representing a maximum nominal value of CHF 74,432.50, by exercising option or conversion rights, which were granted on a stand-alone basis or in connection with bonds or other debt financing instruments by the Company or any of its subsidiaries. The pre-emptive right of shareholders is excluded.*
>
> *Placement of the option or conversion rights may be effected by one or more banks, which subscribe to these rights on a fiduciary basis.*
>
> *When issuing option or conversion rights, the Board of Directors may revoke the advance subscription right of the shareholders, if such option or conversion rights are used for the acquisition, or the financing of an acquisition, of enterprises, parts of enterprises or participations. In this case, the structure, duration, and, if need be, amount of the bond or other debt financing instrument, as well as the conditions of the option or conversion rights must be fixed by the Board of Directors in accordance with market conditions at the time of issuance, provided that conversion rights and option rights may be exercisable for a maximum period of ten years only."*

Participation certificates and profit sharing certificates

As of the date of this Prospectus, the Issuer has neither participation certificates (*Partizipationsscheine*) nor profit sharing certificates (*Genussscheine*) outstanding.

Own Equity Securities

As of December 31, 2021, the Sika Group held 31,125 Shares as treasury shares, and as of September 30, 2022, the Sika Group held 37,527 Shares as treasury shares. The treasury shares do not carry voting and dividend rights.

Outstanding Conversion, Option Rights and Bonds

The Sika Group primarily finances its operations through the issuance of bonds. As of the date of this Prospectus, the Sika Group had the following bonds outstanding:

Type of Bonds	Principal Amount	Issuer / Guarantor	Term	Coupon	Rating (S&P)
Fixed Interest Rate	CHF 200,000,000	Sika AG	2013–2023	1.875 %	A-
Fixed Interest Rate	CHF 140,000,000	Sika AG	2018-2026	0.600 %	A-
Fixed Interest Rate	CHF 250,000,000	Sika AG	2018-2024	0.625 %	A-
Fixed Interest Rate	CHF 130,000,000	Sika AG	2018-2028	1.125 %	A-
Fixed Interest Rate	EUR 500,000,000	Sika Capital B.V. (guaranteed by Sika AG)	2019-2027	0.875 %	A-
Fixed Interest Rate	EUR 500,000,000	Sika Capital B.V. (guaranteed by Sika AG)	2019-2031	1.500 %	A-
Convertible Bonds	CHF 1,650,000,000	Sika AG	2018-2025	0.150%	A-

Other than the above-mentioned bonds, the Issuer does not have any outstanding bonds, conversion or option rights.

In addition to the above-mentioned bonds, the Sika Group has in place two revolving credit facility in the amounts of CHF 750 million each. Furthermore, local credit lines are used to a limited extent.

Employee Options

Sika does not have any employee option plans. Information on Sika's share-based employee participation plans can be found in note 4 to the Issuer's audited consolidated financial statements for the year ended December 31, 2021, and note 4 to the Issuer's interim consolidated financial statements for the six months ended June 30, 2022, both incorporated by reference into this Prospectus.

SWISS TAXATION

The following is a general description of certain Swiss tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in Switzerland or elsewhere (and does not consider any other taxes than those of Switzerland) and does not constitute tax or other advice. Prospective purchasers of Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries. This summary is based upon the Swiss tax laws as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Swiss Federal Withholding Tax

Currently, payments by the Issuer on Bonds which classify as interest (including payments reflecting accrued interest) will be subject to Swiss federal withholding tax (*Verrechnungssteuer*) at a rate of 35%.

A Bondholder who is an individual resident in Switzerland and who holds the Bond as private asset and who duly reports the gross amount of the taxable payment in his or her tax return and, a holder who is a legal entity or an individual holding the Bond in a Swiss business and who includes such payment as earnings in its income statement, and, who in each case is the beneficial owner of the taxable payment, is entitled to a full refund of or a full tax credit for the Swiss withholding tax, provided certain other conditions are met.

A Bondholder who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment in Switzerland to which such Bond is attributable may be able to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and his or her country of residence.

On April 3, 2020, the Swiss Federal Council published draft legislation and opened a consultation procedure regarding the reform of the Swiss withholding tax regime. The draft legislation, if enacted in its current form, would replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. In general terms, the proposed paying agent-based regime would (i) subject all interest payments made through paying agents in Switzerland to individuals resident in Switzerland to Swiss withholding tax and (ii) exempt from Swiss withholding tax interest payments to all other persons, including to Swiss-domiciled legal entities and foreign investors (other than for indirect interest payments via foreign and domestic collective investments vehicles). However, the results of the consultation, which ended on July 10, 2020, were controversial. Consequently, on April 15, 2021, the Swiss Federal Council submitted new draft legislation on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on bonds for submission to the Swiss Parliament. This legislation was accepted by the Swiss Parliament on December 17, 2021 but was rejected in a referendum held on 25 September 2022. Therefore, it cannot be excluded that a paying agent-based withholding tax regime will be proposed again in the future. If a new paying agent-based regime were to be enacted in a comparable manner as proposed by the draft legislation published on April 3, 2020 and were to result in the deduction or withholding of Swiss withholding tax on any payment in respect of a Bond by any person in Switzerland other than the Issuer, the holder of such Bond would not be entitled to any additional amounts with respect to such Bond as a result of such deduction or withholding under the conditions.

Swiss Federal Securities Transfer Tax

The issue and the sale of a Bond on the issuance day (primary market transaction) are not subject to Swiss federal securities transfer tax (*Umsatzabgabe*). Secondary market dealings in Bonds may be subject to the Swiss federal securities transfer tax at a rate of up to 0.15% of the purchase price of the Bonds, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss Federal Stamp Duty Act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies.

The bonds of non-Swiss issuers shall remain subject to Swiss federal securities turnover tax.

Income Taxation on Principal or Interest

Bonds Held by Non Swiss Bondholders

Payments of interest and repayment of principal by the Issuer to, and gain realized on the sale or redemption of Bonds by, a holder of Bonds who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Bond is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Bond.

For the potential new Swiss withholding tax legislation, see above "—Swiss Federal Withholding Tax".

Bonds Held as Private Assets by a Swiss Resident Holder

Individuals who are resident in Switzerland and who hold Bonds as private assets are required to include all payments of interest on such Bonds in their personal income tax return for the relevant tax period and will be taxable on any net taxable income for such tax period.

In principle a capital gain, including a gain relating interest accrued realized on the sale or redemption of Bonds by such a Swiss resident holder, is a tax free private capital gain, and, conversely, a respective loss on the Bond is a non tax deductible private capital loss. Some exceptions are described below.

Bonds without a "*predominant one-time interest payment*": Holders of Bonds without a predominant onetime interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a onetime interest payment) who are individuals receive payments of interest on Bonds (either in the form of periodic interest payments or as a one-time-interest-payment such as an issue discount or a repayment premium) are required to include such payments in their personal income tax return and will be taxable on any net taxable income (including the payments of interest on the Bonds) for the relevant tax period. The Holder who receives the one-time-interest-payment on redemption date is taxed on the whole one-time-interest-payment irrespective of when he or she purchased the bond.

Bonds with a "*predominant one-time interest payment*": In the case of bonds with a "*predominant one-time interest payment*" (the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), the periodic interest payments as well as the increase of the value of the bond component during the holding period are taxable. Depending on the Bond, the increase of the value of the bond component either equals the positive difference (including any capital and foreign exchange gain) between the amount received upon sale or redemption and the issue price (if the bonds were purchased thereafter, so-called pure differential taxation method). For Bonds for which a bond floor is calculated, the increase of the value of the bond floor during the holding period (bond floor at the moment of sale or redemption minus bond floor at the moment of purchase, so-called modified differential taxation method) is taxable.

If the Bond is denominated in foreign currency, the sales price or redemption amount as well as the purchase or issue price each have to be converted into Swiss Francs at the prevailing exchange rate at sale or redemption and at purchase. The same applies for the bond floor. Losses realized on the sale of bonds with a "predominant onetime interest payment" may be offset against gains realized within the same tax period on the sale of any bonds with a "predominant one-time interest payment".

Bonds Held as Swiss Business Assets and by Private Persons Classified as Professional Securities Dealers

Individuals who hold Bonds as part of a business in Switzerland and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Bonds as part of a permanent establishment in Switzerland, are required to recognize the payments of interest and any gain realized on the sale or redemption of such Bonds (including a gain relating to interest accrued) and any loss on such Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for Swiss income tax purposes, are classified as "*professional securities dealers*" for reasons of, inter alia, frequent dealings and leveraged investments in securities.

Automatic Exchange of Information in Tax Matters

The Automatic Exchange of Information in Tax Matters ("**AEI**") is a global initiative led by the Organization of Economic Co-Operation and Development ("**OECD**"). It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun exchange data so collected, and such data may include data about payments made in respect of the Bonds.

BUILDING TRUST