

To the shareholders of Sika AG

Baar, March 6, 2023

ANNUAL GENERAL MEETING OF SIKA AG ON TUESDAY MARCH 28, 2023

Dear Shareholders,

The Annual General Meeting (AGM) of Sika AG will take place on March 28, 2023, and it gives me great pleasure to once again invite you to attend in person. As in the past few years, you will have the option of joining the AGM online through a live stream and asking questions about one or more agenda items verbally during the event via an online platform. You can find further information on the Sika website at:

[Annual General Meeting 2023 \(sika.com\)](https://www.sika.com/en/annual-general-meeting-2023)

Being able to exchange with you, our valued shareholders, in person is very important to us. Nonetheless, there can be situations – as we have seen in recent years – where it is simply not possible to hold a physical AGM. In order to be in a position to deal with such situations when they occur, we are asking for your consent to be able to hold our Annual General Meeting in virtual form in the future. Physical and hybrid general meetings will remain possible and, in the opinion of the Board of Directors, should continue to be the standard in the future – unless factual or legal circumstances do not allow it.

The 2022 fiscal year was shaped by the conflict in Ukraine, unstable supply chains, and the energy crisis, as well as the ongoing repercussions of the COVID-19 pandemic in various markets. It is therefore all the more pleasing that Sika once again performed well against a difficult economic backdrop, exceeding the CHF 10 billion sales mark for the first time with sales of CHF 10,491.8 million. Compared with the prior year, this equates to an increase in Swiss francs of 13.4%. Operating profit (EBIT) increased by 13.5%, also hitting a new record figure of CHF 1,579.7 million.

Given the record results achieved in the 2022 fiscal year, the Board of Directors is proposing to shareholders at the upcoming Annual General Meeting on March 28, 2023, a 10.3% increase in the gross dividend to CHF 3.20 (previous year: CHF 2.90), an increase which is in line with the Group profit increase of approximately 10%.

For more than a decade now, sustainability has been a key component of Sika's corporate strategy, and significant progress was made last year. As innovation leader, the company develops environmentally friendly solutions for the construction sector and for industrial applications. Beyond this, innovations are playing a central role on the path to achieving the net zero target. By 2032, Sika will have reduced its greenhouse gas emissions by around 25% compared with the baseline year of 2022, with this figure set to rise to 90% by 2050. In 2022, Sika was able to reduce its CO₂eq emissions per ton sold (Scope 1 and 2) by 6.9%.

The safety of our workforce is of greatest importance to us. Our initiatives to improve safety awareness and mitigate risks already had a significant impact in 2022, with the lost time accident rate per 1,000 FTEs recording a decline of 23.8% compared to 2021. To create incentives to further increase workplace safety in the future, a corresponding performance metric was incorporated into the compensation system of both Group Management and senior management. Furthermore, the Nomination and Compensation Committee has decided to increase the minimum multiple for the stock ownership of the CEO to five times basic compensation. This will further align the interests of the CEO to those of the shareholders.

The Board of Directors possesses the necessary competencies and experience to support and provide advice to Group Management in the implementation of the strategy. It includes individuals who have been familiar with the company and its processes for a long time, but also new members who bring a fresh perspective into the Board. A balanced and forward-looking succession planning is very important to us, particularly for key positions. I am sure you have been aware of the strong focus we have placed on the renewal of our Board of Directors over the past few years. During the years 2014 to 2018, external events meant that we were not in a position to consistently implement this process of renewal. Since 2019 we continue to drive this process forward and will complete it over the coming years. In the interests of an orderly transition, we therefore appreciate your support in the election of all the members of the Board of Directors.

In addition, the Board of Directors is proposing to introduce a capital band that authorizes the Board to increase or reduce the share capital within a bandwidth of $\pm 5\%$ for a maximum of five years to provide flexibility in raising additional capital should the need arise. We ask for your support on this point, particularly as the selected bandwidth of $\pm 5\%$ is considered best practice throughout the industry.

In the past we have continuously created added value for our stakeholders and expect to do so in the future. Key factors here include our broad product portfolio, our ability to innovate – with a particular focus on sustainable product technologies – and above all our employees

all around the world, who deliver outstanding performance through their dedication and exemplary agility. We thank them for their remarkable commitment, their focus on our shared goals, and the impressive way they identify with our company.

Dear shareholders, we are convinced that Sika is ideally positioned for the challenges the future will continue to bring. On behalf of the Board of Directors, Group Management, and our workforce of more than 27,500 employees, we would like to thank you for the trust you have placed in our work. We very much appreciate your support for the proposals of the Board of Directors at the upcoming Annual General Meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Hälg". The signature is stylized and written in a cursive-like font.

Sika AG
Dr. Paul J. Hälg
Chair of the Board