

Phoenix Mecano Ltd., Stein am Rhein

Buyback of own registered shares for the purpose of capital reduction on a second trading line at SIX Swiss Exchange Ltd.

Legal basis

The Board of Directors of Phoenix Mecano Ltd., Hofwisenstrasse 6, 8260 Stein am Rhein, ("Phoenix Mecano" or the "company") has decided on 25 October 2023 to buy back up to a maximum acquisition value of CHF 30 million of its own registered shares with a par value of CHF 1.00 each (the "registered shares").

As part of the buyback of own registered shares at a fixed price, which ended on November 10, 2023, the company will buy back 1,073 own registered shares (0.11 % of the company's share capital) at a purchase price of CHF 393'791.00 on November 14, 2023. The Company will subsequently launch a new buyback program via a second trading line (the "share buyback program"). Under the present share buyback program, registered shares will be repurchased at a maximum acquisition value of CHF 29'606'209.00.

Based on the closing price of the registered shares on the SIX Swiss Exchange Ltd. on November 10, 2023, this currently corresponds to a maximum of 81,335 registered shares or 8.47 % of the company's share capital. Due to future share price developments, the number of registered shares actually repurchased may deviate from the stated number of registered shares, but in no case will more than 10 % of the share capital and voting rights currently entered in the commercial register be repurchased under the share buyback program.

Phoenix Mecano's share capital currently registered in the commercial register amounts to CHF 960,500 and is divided into 960,500 registered shares with a par value of CHF 1.00 each.

The Board of Directors of the company intends to propose to future annual general meetings that the registered shares of the company repurchased under the share buyback program be reduced in capital by means of cancellation.

Trading on the second trading line of SIX Swiss Exchange Ltd.

For the share buyback program, a second trading line will be established for the shares on SIX Swiss Exchange Ltd. in accordance with the Swiss Reporting Standard. Only Phoenix Mecano is permitted to assume the role of buyer on this second trading line (via Zürcher Kantonalbank as the bank mandated to conduct the share buyback) and to purchase own registered shares for the purpose of a capital reduction at a later date. Fair and orderly trading in the registered shares of the company under the current security no. 126 133 810 shall not be affected by this measure and shall continue as usual. Shareholders of the company wishing to sell their registered shares therefore have the choice of either selling registered shares on the ordinary trading line or tendering them to the company for the purpose of the subsequent capital reduction on the second trading line. The conditions contained in TOB Circular No. 1 regarding buyback programs will be complied with.

Buyback price

The buyback prices and the prices on the second trading line shall be determined in relation to the prices of the shares of the company traded on the ordinary trading line.

Payment of the net price and delivery of the shares

Transactions on the second trading line constitute regular stock market transactions. Payment of the net price (buyback price less federal withholding tax, see section "Taxes – Federal withholding tax" below) as well as the delivery of the repurchased registered shares of the company will therefore, as a matter of course, take place within two trading days following the trade date.

Mandated bank

The company has mandated Zürcher Kantonalbank to carry out the share buyback program. Zürcher Kantonalbank shall be the sole stock exchange member setting bid prices for registered shares of the company on the second trading line.

Delegation agreement

The company and Zürcher Kantonalbank have concluded a delegation agreement pursuant to Art. 124 (2) (a) and (3) FMIO. Under the agreement, Zürcher Kantonalbank may repurchase shares independently, subject to certain pre-defined parameters. The company is, however, entitled to terminate the delegation agreement at any time without stating its reasons, or to modify the parameters in accordance with Art. 124 (3) FMIO.

Duration of the buyback

Trading in the registered shares of the company shall take place on the second line from 15 November 2023 and shall continue until 14 November 2025 at the latest. The company reserves the right to suspend or terminate the share buyback program at any time and shall be under no obligation to repurchase its own registered shares on the second line as part of this share buyback program.

On-market obligation

According to the regulations of SIX Swiss Exchange Ltd., off-exchange transactions on the second trading line are prohibited during share buyback programs.

Publication of transaction details

The company shall provide constantly updated information on the development of the share buyback program on its website: <https://www.phoenix-mecano.com/en/investor-relations/share-buyback-programme>

Maximum daily buyback

In accordance with Article 123 (1) c) of FMIO, the maximum daily buyback amount is published on the Company's website at: <https://www.phoenix-mecano.com/en/investor-relations/share-buyback-programme>

Taxes

The buyback of a company's own shares for the purpose of a capital reduction is treated, both in terms of federal withholding tax and direct taxes, as a partial liquidation of the repurchasing company. Specifically, this has the following implications for the selling shareholders:

1. Federal withholding tax

The federal withholding tax amounts to 35 % on the difference between the buyback price of the registered shares and their nominal value. The tax is deducted from the buyback price by the repurchasing company or by its authorized bank for the attention of the Swiss Federal Tax Administration.

Persons domiciled in Switzerland are entitled to a refund of the federal withholding tax if they had the right to use the registered shares at the time of the redemption and there is no tax evasion (art. 21 Withholding Tax Act). Persons domiciled abroad may reclaim the federal withholding tax in accordance with any double taxation treaties.

2. Direct taxes

The following explanations relate to the levying of direct federal taxes. As a rule, the same practice applies to cantonal and municipal taxes as to direct federal taxes.

a. Privately held shares

If the registered shares are returned to the company, the difference between the buyback price of the registered shares and their nominal value constitutes taxable income (nominal value principle).

b. Shares forming part of a company's assets

In the event of a share buyback by the company, the difference between the buyback price and the book value of the shares represents taxable profits (book value principle).

Shareholders domiciled abroad are taxed in accordance with the applicable law of the country concerned.

These statements do not constitute a comprehensive description of possible tax consequences or tax advice. Shareholders are advised to consult their own tax advisor regarding the tax consequences of participating in the share buyback offer.

3. Duties and charges

The buyback of own shares for the purpose of a capital reduction is not subject to transfer stamp tax. The fees of the SIX Swiss Exchange Ltd. are nevertheless payable.

Non-public information

The company confirms that it does not currently have any non-public information that could significantly influence a decision by shareholders.

Own registered shares

As of 9 November 2023, the company held 1,900 own registered shares in treasury (corresponding to approximately 0.20 % of the voting and capital rights).

Shareholders with more than 3 % of voting rights

The following beneficial owners hold more than 3 % of the capital and voting rights in the company:

Planalto Ltd., Luxembourg, Luxembourg^{1,2}
34.6 % of the voting and capital rights

J. Safra Sarasin Investmentfonds Ltd., Basel, Switzerland³ (direct shareholder: Sara Select)
8.83 % of the voting and capital rights

Tweedy, Browne Company LLC, Stamford, USA^{1,4}; Tweedy, Browne Global Value Fund⁵ (from which 7.2 % the beneficial owner Tweedy, Browne Fund Inc., Stamford, USA)
8.5 % of the voting and capital rights

FundPartner Solutions (Suisse) Ltd., Geneva, Switzerland^{1,6} (from which 3.3 % RP Fonds Institutionnel, Geneva, Switzerland)
4.3 % of the voting and capital rights

UBS Fund Management (Switzerland) Ltd., Basel, Switzerland¹
3.8 % of the voting and capital rights

Retraites Populaires, Lausanne, Switzerland¹
3.3 % of the voting and capital rights

¹ According to the annual report 2022.

² Beneficial and entitled to exercise voting rights is Gisela Goldkamp. Benedikt A. Goldkamp is the owner of the voting rights.

³ As of 9 November 2023 according to disclosure notice published on <https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>.

⁴ Tweedy, Browne Company LLC (TBC) is not a beneficial owner of the shares. Voting rights were transferred to TBC pursuant to separate investment advisory agreements. It should be noted that the shares reported with this announcement include 68,640 shares held by Tweedy, Browne Global Value Fund, a direct purchaser and beneficial owner.

⁵ Pursuant to an investment advisory agreement between Tweedy, Browne Global Value Fund (TBGVF) and TBC, TBGVF has transferred voting rights in respect of 68,640 bearer shares of Phoenix Mecano AG to TBC. TBC is not a beneficial owner of the shares. TBGVF is the sole beneficial owner of the shares.

⁶ It should be noted that the shares reported with this notification include 3.3 % shares held by RP Fonds Institutionnel, a direct acquirer and beneficial owner.

Applicable law and place of jurisdiction

Swiss law. The exclusive place of jurisdiction is Zurich.

Swiss security no. / ISIN / ticker symbol

Registered shares of Phoenix Mecano Ltd.
126 133 810 / CH1261338102 / PMN

Registered shares of Phoenix Mecano Ltd. (share buyback second trading line)
130 560 365 / CH1305603651 / PMNE

This notice does not constitute a prospectus.

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