

# Proposed spin-off of Accelleron (formerly ABB Turbocharging)

Shareholder information brochure



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# Important information

This shareholder information brochure has been prepared exclusively for the shareholders of ABB Ltd ("ABB") in connection with the spin-off of Accelleron Industries Ltd ("Accelleron") proposed to the Extraordinary General Meeting ("EGM") of ABB's shareholders to be held on September 7, 2022.

This brochure is not an offer to sell or a solicitation of offers to purchase or subscribe for shares in ABB or Accelleron nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied upon in connection with, any contract therefor. This brochure does not constitute a prospectus as defined in the Swiss Financial Services Act or a prospectus under the securities laws and regulations of the United States, Sweden or any other applicable laws. This brochure does not constitute a recommendation with respect to the shares of ABB or Accelleron.

Certain risks may be applicable to the proposed spin-off and to the shares in Accelleron (the "Accelleron shares") once they are traded. You are advised to familiarize yourself with the entire content of this brochure and the material it refers to. This brochure is only a summary of certain provisions related to the proposed spin-off and does not purport to be complete. In voting whether to approve the proposed spin-off, you must rely on your own review of the Turbocharging business and the contemplated spin-off, including the merits and risks involved. If you are in any doubt as to the action you should take, you should seek your own financial, legal and tax advice immediately from your custodian, investment advisor, legal advisor or tax advisor.

The necessary information required for the admission of the Accelleron shares to trading on SIX Swiss Exchange will be contained in a separate prospectus (see "Indicative timeline", p. 23). The prospectus, once published, will be available on [www.acceleron-industries.com](http://www.acceleron-industries.com). We urge future holders of Accelleron shares to read the prospectus, once available, and familiarize themselves with the entire content, including the risk factors.

The Accelleron shares will not be listed on any U.S. securities exchanges and the proposed spin-off will not be registered with the Securities and Exchange Commission (SEC). Holders of ABB American Depositary Shares ("ADRs") should refer to "Holders of ABB American Depositary Shares", p. 28,

for information regarding the effect of the proposed spin-off on their ADRs.

The Accelleron shares will not be listed on Nasdaq Stockholm (the "Stockholm Stock Exchange"). Holders of ABB shares registered with Euroclear Sweden AB ("Euroclear Sweden") will receive Swedish depository receipts representing Accelleron shares ("SDRs"). See "Holders of ABB shares registered with Euroclear Sweden", p. 25, for information regarding the effect of the proposed spin-off on such shares.

The information set out herein and in any related materials is subject to updating, completion, revision, verification and/or amendment. Neither ABB, nor any of its affiliates or its bodies, executives, employees and advisors are under any obligation to update or keep current the information contained in this brochure or to correct any inaccuracies except to the extent it would be required under applicable law or regulation.

This brochure contains forward-looking statements which express intentions, estimates, expectations and forecasts relating to future financial, operational and other developments and results. Such statements and the underlying assumptions are subject to a variety of risks, uncertainties and other factors which could mean that the actual developments may significantly differ therefrom. Shareholders should further note that even if the EGM approves the resolutions required to carry out the proposed spin-off, the spin-off may not be completed, in full or in part, or may be delayed. In view of these uncertainties, readers of this brochure are cautioned not to place undue reliance on such forward-looking statements. Further, it should be noted that any market data and valuations, as well as past trends and performances, described in this brochure are no guarantee for the future development, performance or value of ABB or Accelleron.

The distribution of this brochure, the delivery of Accelleron shares and the payment of cash in lieu of fractional shares in connection therewith may be restricted by law in certain jurisdictions outside Switzerland, Sweden and the United States. Persons who may come into possession of this brochure are required to inform themselves about and to observe such restrictions.

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# Overview and introduction to Accelleron



# ABB Chairman letter



**Dear ABB shareholder, including ADR holders,**

We recently announced plans to spin off our market leading Turbocharging business into a newly formed company, which will be separated from ABB, under its new brand name “Accelleron”. The parent company of the newly formed group Accelleron Industries Ltd is a Swiss-based entity. This new group will contain the entirety of ABB’s Turbocharging operations and will be a standalone business (subject to approval at the EGM), with an independent listing on SIX Swiss Exchange planned for early in the fourth quarter.

The decision to separate the two businesses represents a unique opportunity for both companies and their respective stakeholders. It will allow the full value of the Turbocharging business to be directly realized by ABB’s shareholders in the near term, while allowing ABB to continue with its focus on its remaining portfolio. This move is in line with ABB’s strategy to focus on its core electrification and automation operations and create additional value for our stakeholders, including for you, the owners of our business.

Likewise, Accelleron will be able to focus exclusively on what it does best, to reach its full potential as a standalone business by taking advantage of its leading position in the heavy-duty turbo-

charging market. Further, the proposed spin-off provides investors with pure play exposure to a true Swiss industrial champion and will support it in achieving its growth ambitions with an attractive cash generation profile.

The spin-off will take place if the majority of shareholder votes are cast in favor of the transaction at an Extraordinary General Meeting, and it will be executed by way of distribution-in-kind of all shares in Accelleron to ABB shareholders on a pro rata basis (subject to all conditions to effect the spin-off being satisfied and to separate ADR and SDR requirements). This brochure provides an overview of the key aspects to consider when deciding how to vote on the proposed spin-off transaction, with additional details on the transaction itself and the new Accelleron business.

ABB is known as a leading innovator and has always sought to capture opportunities in its markets. The proposed spin-off marks a logical next phase in its evolution. As a Board of Directors, we clearly see the value creation opportunities resulting from this transaction for both ABB and Accelleron. As our shareholders are expected to benefit on both sides of the equation, ABB’s Board of Directors unanimously recommends that you vote in favor of the spin-off.

Yours sincerely,

Peter R. Voser  
Chairman of the Board of Directors of ABB Ltd

# Frequently asked questions



## — Why is this happening?

The proposed spin-off will allow the value of Accelleron to be fully realized. As a standalone business, Accelleron will be able to fully leverage its market leadership positions, its extensive installed base and service capabilities, and its vast network of partnerships with both OEMs (original equipment manufacturers) and operators. Following the separation, ABB will be able to focus on its remaining portfolio of businesses.

## — What are the benefits for me as a shareholder in ABB?

As an ABB shareholder, the proposed spin-off allows you to realize the value of the Accelleron business now, while also enabling future value creation by simplifying ABB's portfolio and allowing it to focus on its core businesses. As a shareholder, including ADR and SDR holders, in the new Accelleron business, we also expect that you will be able to benefit from holding shares in a company with pure play exposure to a turbocharging market with well-defined growth ambitions.

## — When is this happening?

The spin-off is subject to ABB shareholder approval at the EGM and market conditions. If the spin-off is approved at the EGM, we anticipate that the listing of Accelleron on SIX Swiss Exchange will take place on October 3, 2022.

## — How will the proposed spin-off work?

To accomplish the spin-off, ABB will distribute the Accelleron shares held by ABB to ABB shareholders on a pro rata basis (see "Summary of the proposed spin-off transaction", p. 22). You will not receive any fractional Accelleron shares

but will instead receive cash upon the sale of the aggregated fractional shares. For more information, see "Procedure to receive Accelleron shares – Treatment of fractional shares", p. 24. Following the spin-off, Accelleron will be an independent, publicly traded company, and ABB will not retain any ownership interest in Accelleron.

If you currently hold ABB ADRs, we expect that you will receive Accelleron ADRs in respect of your ABB ADRs from the depositary for the ADRs. See "Holders of ABB American Depositary Shares", p. 28.

Holders of ABB shares registered with Euroclear Sweden will receive Accelleron SDRs in respect of their ABB shares. See "Holders of ABB shares registered with Euroclear Sweden", p. 25, for information regarding the effect of the proposed spin-off on such shares.

## — For the spin-off to be approved, how many shareholders would have to vote in favor of the proposal?

An absolute majority of the votes represented at the EGM will be required for the approval of the spin-off.

## — What happens if ABB shareholders do not approve the spin-off?

The ABB Board of Directors is convinced of the benefits of the proposed spin-off for ABB shareholders and recommends that all shareholders vote in favor of the corresponding resolution at the upcoming EGM. Should the spin-off not be approved, Accelleron will remain a business within ABB. The ABB Board of Directors would, however, continue to pursue alternative options.



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**What happens if I sell my ABB shares now, before the proposed spin-off takes place?**

If you sell your ABB shares prior to close of trading on September 30 (see "Indicative timeline", p. 23), you will not be eligible to receive Accelleron shares or cash payments for fractional shares.

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**What would happen to the number of ABB shares I own in the event of a spin-off?**

The number of ABB shares you own would not change in the event of a spin-off.

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**Can I buy Accelleron shares now?**

No. Currently there is no public market for Accelleron shares and so it is not possible to purchase shares in Accelleron until the day of the listing.

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**Can I elect not to receive Accelleron shares?**

No. Provided that the spin-off is approved at the EGM and the conditions precedent to consum-

mating the spin-off are satisfied or waived, each ABB shareholder that holds ABB shares as of the close of trading on September 30 will receive Accelleron shares (see "Procedure to receive Accelleron shares", p 24). If you do not wish to hold any Accelleron shares, you will be able to sell all or part of your Accelleron shares received as a dividend in kind on SIX Swiss Exchange after the start of trading of Accelleron shares. Holders of ABB ADRs and holders of ABB shares registered with Euroclear Sweden should also refer to "Procedure to receive Accelleron shares" (p. 24) for further information.

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**Will I receive cash in addition to Accelleron shares?**

No. The cash portion of the dividend corresponds to the Swiss withholding tax payable in relation to the spin-off and will be withheld by ABB and paid directly to the Swiss Federal Tax Administration. You may be entitled to a refund; for more details, please see the section below entitled "Refund of Swiss withholding tax on taxable distributions".

# Accelleron Chairman letter



## Dear future Accelleron shareholder,

The planned spin-off of Accelleron is a milestone for this company and will be beneficial for all stakeholders, helping to unlock unrealized value and allowing it to reach its full potential as a standalone business. After the completion of the transaction, the rebranded ABB Turbocharging business will focus on implementing its own, independent growth strategy with an attractive cash generation profile.

This growth will be rooted in the company's existing strong market position as a leading global player in heavy-duty turbocharging for mission-critical applications. Our cutting-edge technology and high-quality service solutions have made us the partner of choice for clients across the entire value chain – from OEMs to operators. Clients put trust in our reputation – a reputation that has been built over a hundred years, starting at the very beginning of the 20th century, when Alfred Büchi, the inventor of turbochargers, registered his first turbocharging patent. We are very proud of our history and track record, as well as of our dynamic spirit. Over the years, Accelleron has gone from strength to

strength, creating an effective operating model, offering products for a broad variety of applications and providing efficient after-market services. Accelleron is as rock-solid as its business model, its products and, equally importantly, as its balance sheet. This provides us, and especially our customers, with the confidence that we will continue to be preferred partners for years to come.

Today, our business is all about value creation. Our products help clients from various sectors – from marine and cruises to energy and railways – achieve extraordinary efficiencies: increasing engine power output by up to 300 percent, enabling up to 10 percent higher engine efficiency, significantly reducing carbon emissions and delivering higher power density.

The environmental benefits of turbochargers are obvious in the near term, but their application will become even more important further into the future. First, we expect that more than 85 percent of the applications we currently serve, such as long-haul shipping, cannot be replaced by non-internal combustion engine solutions, but will transition to lower- and zero-carbon fuels such as green hydrogen, ammonia or e-methanol. Our presence within most pilot projects operating on these fuels will help to ensure that our turbochargers remain as widely utilized going forward.

Secondly, with the increasing reliance on renewable energy sources in the power grid, we expect greater demand for engine-based solutions running on green fuels to offset the resulting fluctuation in electricity supply, which will also benefit from the higher efficiency turbochargers can provide. In the longer term, we may even be able to offer solutions to improve the efficiency within fuel cells, bringing an even broader scope to the long-term applications we envisage for turbochargers.

Over 180,000 of our turbochargers are installed globally, with clients benefiting from our worldwide service network and a large, dedicated workforce of trained service engineers. Products

we have designed have earned accolades, including the turbocharging system we designed for a diesel engine by Wärtsilä. Our commitment to ensuring that our turbochargers run on current and future fuels will make an important contribution to global decarbonization, on both land and sea.

Our Turbocharging business makes market leading investments in research & development, representing approximately 7 percent of Turbocharging's 2021 revenues and engaging 185 employees. Having filed and registered more than 100 patent families we are unmatched by any of our competitors. These impressive numbers provide the foundations for our technological pre-eminence, and hence the demand for our products, today and tomorrow.

High demand for our products and services is reflected in our strong financial profile. This is driven by resilient, recurring service revenues, typically over several decades following the original installation of a turbocharger. Our service revenue accounted for about 75 percent of turnover in 2021. We have demonstrated profitability above sector average, as well as high cash returns. Our substantial free cashflow<sup>01</sup>, which even in challenging pandemic times remained above \$130 million in 2021, allows us to invest in innovation, in operations, and in market growth, but also to reward our shareholders appropriately.

As a stand-alone company, we will continue building on our strong fundamentals, exploring new growth opportunities. We aim to strengthen our partnerships with both OEMs and operators to enter adjacent sectors and develop our presence in high-growth geographic markets, while also continuing to expand our R&D capabilities, focusing on digitalization and decarbonizing our end markets.

We fully recognize that our long-term success is reliant upon good corporate governance. Transparent, sustainable operations and ethical, responsible behavior towards all of our stakeholders are our key business principles. We are

thankful for our excellent heritage from ABB, our parent company, which continues to be recognized as one of the leaders in these categories.

Sustainability has been a pillar of our approach from our earliest days and will continue to be moving forward. The need for industry-led solutions to address climate change has never been more important, with businesses all around the world coming under increased pressure to reduce or eliminate their carbon footprint, and our business is uniquely positioned to enable the transition to decarbonization in the industries we support. Our products are ready to serve all green fuels of today. However, we not only strive to help our clients become more sustainable and consume less fuel, but we also consider our own operations to establish benchmarks for recycling, energy and water consumption.

Our success and strong industry position would have been impossible without the hard work and dedication of our ~2,300 employees. They are the driving force behind our business and at the heart of everything we do. I would like to thank all of my colleagues at Accelleron for their ongoing commitment, and I am confident that this transaction will further empower us as a company, offering vast potential for professional development and growth.

The spin-off will open a new and exciting chapter in our history – bringing significant opportunities for the company, its clients and partners – and I very much hope you will be able to join us on this exciting journey.

Yours sincerely,



Oliver Riemenschneider  
Chairman Designate of Accelleron

<sup>01</sup> Free cash flow defined as net cash provided by operating activities minus net cash used in investing activities

# Accelleron's business overview, history, summary financials, and employees

## Business overview

Accelleron designs, manufactures, sells and services highly customized turbochargers through its product business for OEMs of engines for heavy-duty applications. These OEMs build turbochargers into the engines they produce for end-users across the world. The maintenance of this installed base forms the foundation of Accelleron's service business.

A turbocharger uses the residual energy of exhaust gas to drive a turbine connected to a compressor wheel; the compressor provides an engine with pressurized air for the combustion process. This process increases the volume of air available to drive combustion, increasing the power to weight ratio allowing a smaller engine to produce the same power as a naturally aspirated larger engine.

Accelleron operates in the global turbocharger market for heavy duty (500 kW+) diesel and gas applications, which it further subdivides into two segments:

- Medium and Low Speed, 90–5720 kW per cylinder (marine, e.g., cargo ships and oil tankers, as well as large ferries and cruise ships; energy, including large power plants; certain applications in traction),
- High Speed, <200 kW per cylinder (predominantly energy, e.g., decentralized power, combined heat & power and peak shaving power plants, as well as midstream gas compression), with certain applications in marine vessels and traction like mining trucks.

Accelleron does not currently compete in the light- and commercial vehicle ("on-highway") markets. According to third party consultants, its addressable turbocharger market was estimated at roughly \$2 billion in 2020, comprising approximately \$1.5 billion and \$500 million in service and product revenue, respectively, and which we currently expect to grow at ~2 percent per annum.

Accelleron develops and deploys cutting-edge technologies for use with a variety of fuels; traditional fuels include fuel oil, diesel and natural

gas, applications also include the growing clean liquid and gaseous fuels market (hydrogen, ammonia, biofuel and synthetic fuel). Accelleron's technology is not limited to the internal combustion engine ("ICE") market and is also applicable to fuel cells. Accelleron's expertise enables the best transition to decarbonization across its applications, helping customers and end-users achieve compliance with stricter fuel economy and emissions regulations while retaining performance.

Operational excellence is part of Accelleron's DNA, with its global sourcing network supporting focused manufacturing operations that deliver around 10,000 turbochargers every year. As a market leader, Accelleron works with an estimated 6,000 annual customers, which includes OEMs and end-users, and services an installed base of over 180,000 active units. The service business relies on a network of more than 100 service stations located in approximately 50 countries on all continents to remain in close proximity to customers.

Accelleron is transforming and expanding its existing service offering to further enhance customer service through its digitally enabled service agreements. Its digitally enabled agreements use operating data from turbochargers to enhance their service offerings through tailored maintenance and performance optimization. In parallel, Accelleron is expanding its usage of Tekomar XPERT, a subscription-based, brand-agnostic software suite that reduces end-user lifetime fuel expense and improves the vessel performance, as well as CO<sub>2</sub> emissions monitoring and reporting by optimizing engine and hull and propeller performance.

Accelleron centralizes engineering and R&D at its headquarters in Baden, Switzerland, employing a staff of 185 full time employees. Accelleron often collaborates with engine OEMs' customers on R&D, engaging in data exchange and putting its cutting-edge technology and engineering expertise at their disposal.

Accelleron currently holds 119 patent families and, on average, has filed for an additional 30–50 pat-

ents every year. Its R&D expenses for 2021 were \$52 million (approximately 7 percent of 2021 revenue).

A combination of Accelleron's leading engineering excellence and strong service offering drives customer confidence, reducing expensive down time while improving fuel efficiency, emissions and power to weight ratio.



## History

- 1905**  
Registration of Alfred Büchi's patent in Switzerland concerning turbocharging
- 1924**  
Brown, Boveri & Cie ("BBC"), one of the founding companies of ABB, in partnership with Alfred Büchi, develops and delivers the world's first two industrially manufactured turbochargers for large diesel engines
- 1932**  
BBC's design engineers formulate specifications for a standardized range of turbochargers, developing them on a modular basis moving forward, a key innovation allowing for customization and agile development
- 1945–1960**  
BBC develops turbochargers for four-stroke engines as well as (from 1951 onwards) two-stroke engines, including several important collaborations with engine builders
- 1958**  
BBC grants a license to Ishikawajima-Harima Heavy Industries (IHI) in Japan to manufacture BBC turbochargers; beginning of licensing strategy in key markets in Asia
- 1971**  
VTR 1 series introduced, offering turbochargers with an overall efficiency of almost 60% for a wide range of applications
- 1978**  
BBC grants China's CSTC a license for the production of turbochargers and contributes to the development of Chinese shipbuilding industry
- 1984**  
Heavy Industries of Korea receives a license to build ABB turbochargers
- 1985**  
BBC sets new industry standards with smaller and lighter turbochargers, such as the VTR 4 and VTC 4
- 1988**  
Allmänna Svenska Elektriska Aktiebolaget ("ASEA") and BBC merge to form ABB. In accordance with the combined company's policy of decentralization, ABB Turbo Systems Ltd is set up in the following year to handle the turbocharger business
- 1996**  
Market launch of TPL-A turbochargers for modern medium-to-large four-stroke diesel and gas engines. Applications range from main and auxiliary engines for small and large vessel, respectively, to stationary diesel and gas power plants
- 1998**  
Joint venture between ABB and IHI founded for the promotion and sale of turbocharger products to the Japanese market
- 2004**  
ABB develops TPL-C and TPS-F turbochargers for medium speed engines that meet low output / emission demands
- 2006**  
ABB Turbo Systems and Jiangjin Turbocharger Plant set up ABB Jiangjin Turbo Systems Co., Ltd. as a joint venture company in China
- 2007**  
A100 generation launched as a new benchmark in the development of single-stage, high-efficiency, high-pressure turbocharging
- 2015**  
ABB enters into agreement with Wärtsilä to partner to develop the world's most efficient 4-stroke diesel engine
- 2017**  
ABB acquires Tekomar Group, an independent provider of software solutions for engine performance
- 2018**  
World's largest container ship launched with ABB turbochargers, delivering reduction in CO<sub>2</sub> emissions compared to older and smaller-tonnage vessels with less efficient engines and less favorable power-to-load ratio
- 2019**  
ABB designs the most advanced mixed-flow turbine on the market with >90% efficiency
- 2021**  
ABB launches Turbo MarineCare, the first digitally enabled smart service offering for turbocharging end-users

## Summary financials

The business of Accelleron did not form a separate legal group of companies in all periods presented. As a result, the Accelleron financial figures below were prepared on a combined carve-out basis from the consolidated financial information and accounting records of ABB. The Accelleron financial figures were prepared in accordance with U.S. GAAP based on a going concern assumption and are presented in United States dollars (\$) unless otherwise stated.

The Accelleron financial figures include general corporate expenses of ABB that are provided on a centralized basis, such as expenses related to information technology, research and development, intellectual property, digital, communications, finance, legal, human resources, health and safety and country management activities. These general corporate expenses are included within cost of sales, selling, general and administrative expenses and non-order related research and development expenses. These expenses have been

allocated to Accelleron on the basis of direct usage when identifiable, with the remainder allocated based on a ratio of its operational value added, sales, square footage or headcount that are utilized by ABB. Management believes the assumptions regarding the allocation of ABB general corporate expenses are reasonable. Nevertheless, the Accelleron financials may not be indicative of Accelleron future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had it operated as an independent business during the periods presented.

The figures presented below are based on audited FY 2019–2021 financials. The Operational EBIT, Accelleron's primary KPI for the profitability of the business and its segments, is a non-GAAP measure and represents income from operations excluding non-operational items (e.g., restructuring and related costs, FX and commodity timing differences).

### Key profit & loss financials

\$ in millions, unless otherwise indicated	Historicals		
	2019	2020	2021
Revenues	783	711	756
Change US \$		(9%)	6%
Gross profit	372	305	356
% margin	47%	43%	47%
Income from operations	201	137	186
% margin	26%	19%	25%
Operational EBIT	203	146	188
% margin	26%	20%	25%

### Key cash flow items

\$ in millions, unless otherwise indicated	Historicals		
	2019	2020	2021
Depreciation & amortization	21	24	24
% of revenues	3%	3%	3%
Capital expenditures	23	26	29
% of revenues	3%	4%	4%
Free cash flow*	161	126	136
% cash flow conversion**	101%	113%	94%

\*Free cash flow defined as net cash provided by operating activities – net cash used in investing activities.

\*\* Free cash flow conversion defined as free cash flow / net income.

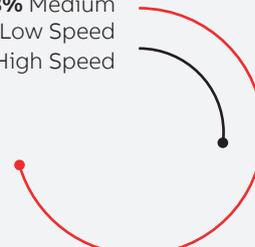
### Reconciliation of operational EBIT to income from operations\*

\$ in millions, unless otherwise indicated	Historicals		
	2019	2020	2021
Operational EBIT	203	146	188
Restructuring costs and other non-operational items	(2)	(8)	(3)
FX and commodity timing differences	1	(1)	1
Income from operations	201	137	186

\*Numbers might not add up due to rounding

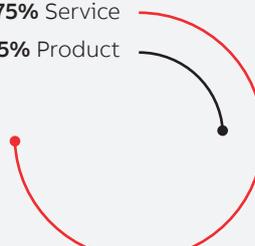
### 2021 revenue by segment

73% Medium and Low Speed  
27% High Speed



### 2021 revenue by life cycle stage

ca.75% Service  
ca.25% Product



### 2021 revenue by geographical markets

41% Europe  
40% Asia, Middle East and Africa  
19% Americas

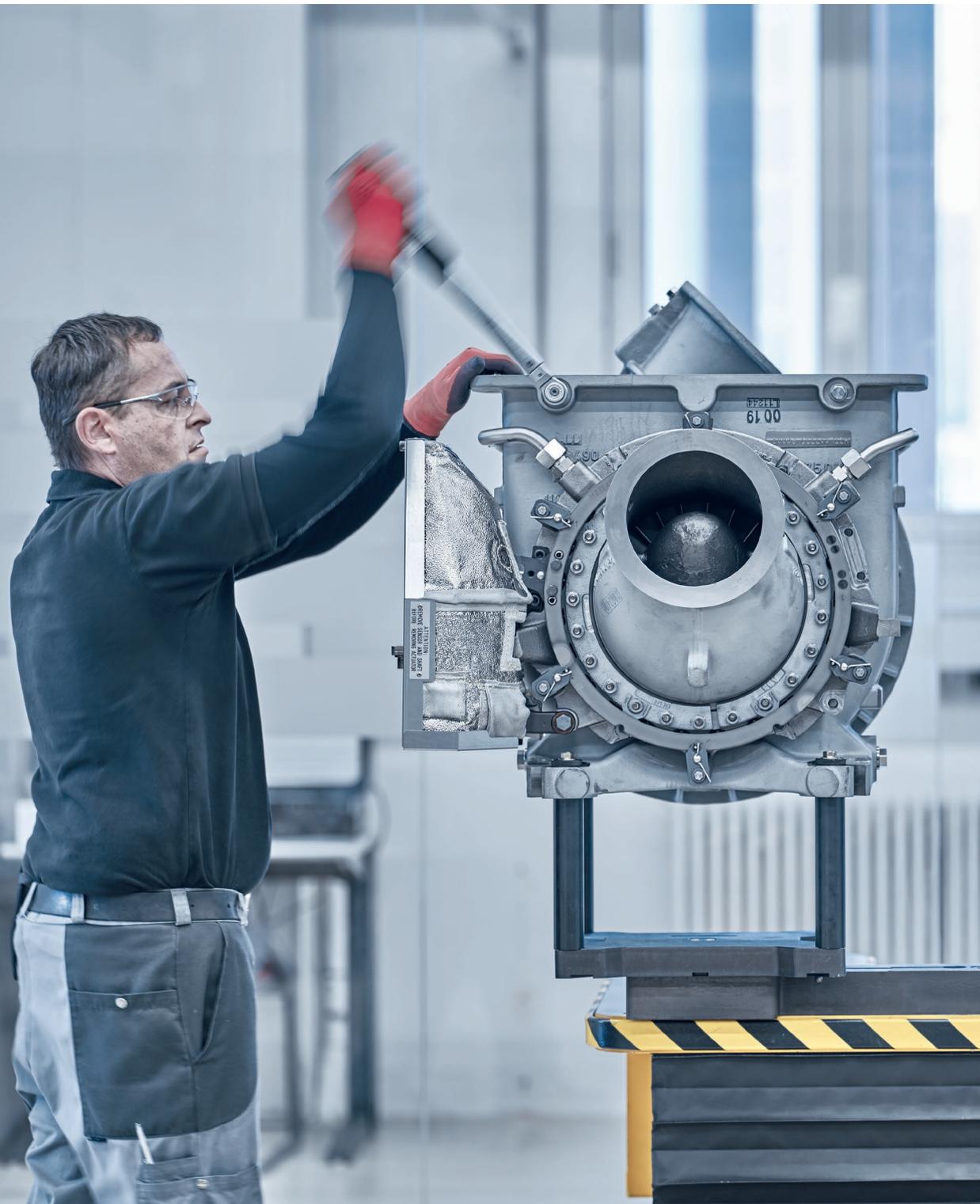


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## Employees

Following completion of the spin-off, Accelleron will employ ~2,400 people. Accelleron's workforce is highly qualified with more than 80 percent of its employees having received higher technical or commercial education.

In addition to its permanent employees, Accelleron employs a number of temporary workers in order to bridge short-term workforce shortages or to address temporary order spikes. As of December 31, 2021, Accelleron had a total of 40 temporary workers.



# Future Board of Directors

Following completion of the spin-off, the Board of Directors of Accelleron will include Oliver Riemenschneider as Chairman and member of the Board of Directors of Accelleron. The following sets forth brief summary descriptions of each prospective director's business experience and education.

—  
 Oliver Riemenschneider  
 will be Accelleron's Chairman  
 of the Board

**Oliver Riemenschneider** will become Chairman of the Board at Accelleron based in Baden, Switzerland. As Senior Vice President at ABB, he led the transition of ABB's turbocharging division to become an independent entity, Accelleron, in 2022.

He began his career at ABB in Switzerland in 1991, rapidly rising to become Manager of the Turbocharging Division in Japan in 1997, where he subsequently led the joint venture between ABB and IHI as Senior Vice President. Returning to Switzerland in 2003, he became Senior Vice President Sales and Service Turbocharging and Division President in 2011. Oliver is committed to driving industry sustainability and decarbonization and has been behind multiple initiatives to place ABB Turbocharging, and now Accelleron, at the forefront of technology transformation to achieve global emissions targets and beyond.

Oliver is also Chairman of the Board at V-Zug AG, Switzerland.

He holds a Master's Degree in Mechanical Engineering (ETH-Zurich) and a Master of Business Administration (City University, Bellevue, Washington, US).

**Monika Krüsi** will be Accelleron's Chairperson of the Audit Committee and Vice-Chair of Accelleron's Board of Directors. She is currently a Partner at MKP Consulting, which she founded in 2003. She is also the Chair of Repower and among other a Member of the Board of Directors of Burckhardt Compression and Energie 360°. Monika began her career at McKinsey & Co., where she worked for nine years before becoming a Partner at Venture Incubator Partners. Monika holds a Ph.D. in Business Informatics and an M.B.A. from the University of Zurich, Switzerland.

**Gabriele Sons** will be Accelleron's Chairperson of the Nomination and Compensation Committee. She has been a member of the Supervisory Board of ElringKlinger since 2014 and Grammer since 2020. Gabriele began her career in 1991 as an advisor on collective bargaining and employment law at Deutsche Lufthansa. Since then, she has served as Managing Director or Executive Board member of several international businesses including Compass Group, Schindler Elevator, the German Employers Association Gesamtmetall and Thyssenkrupp Elevator. Gabriele studied law in Munich and Heidelberg and has been acting as independent lawyer and consultant since 2018.

**Bo Cerup-Simonsen** will be a member of Accelleron's Board of Directors. He is currently the Chief Executive Officer of Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, a position he has held since 2020. Bo has previously held a number of positions within shipping technology and innovation including VP Head of Newbuilding Strategy and Portfolio at Royal Caribbean Cruises (RCL), Director of the Danish Hydrocarbon Research and Technology Centre at the Technical University of Denmark and VP, and Head of Maersk Maritime Technology (MMT), where he was responsible for a large number of engineering and newbuild projects including the world's most energy efficient containership series, the Triple-E. Bo holds a Ph.D. in Mechanical Engineering from the Technical University of Denmark and an Executive MBA from Copenhagen Business School.

**Stefano Pampalone** will be a member of Accelleron's Board of Directors. Since 2019, Stefano has been President of the Construction Equipment segment at CNH Industrial, where he leads the Global Business Unit. He joined the company in 1999, and has held a variety of managerial roles including country manager of India from 2011-13, before becoming COO of Asia Pacific based in Switzerland. Stefano holds an M.B.A. from Profingest Management School (now Bologna Business School) and a bachelor's degree in Engineering from the University of Trieste.

**Detlef Trefzger** will be a member of Accelleron's Board of Directors. Detlef has been the CEO of Kuehne + Nagel International AG for 9 consecutive years from August 2013 to July 2022. He joined the company in March 2013, and acted as Executive Vice President of Contract Logistics from March 2013 to May 2015. He previously spent 15 years at DB Schenker in various management positions, including as Executive Vice President of Global Contract Logistics and Supply Chain Management. Prior to that Detlef worked at Roland Berger & Partner in Munich, Germany, where he was Principal in the Competence Center Transportation & Logistics between 1994 – 1998. Detlef has been a member of the Board of Directors at the Singapore Economic Development Board from 2015-2018 and acts as member of the Maritime International Advisory Panel of Singapore in 2022 and 2023. In June 2019, Detlef joined the Board of Directors of the Swiss-American Chamber of Commerce in Zurich, Switzerland. He holds a Ph.D. from Vienna University of Business Administration & Economics.





# Future Executive Committee

Following completion of the spin-off, the executive committee of Accelleron (the “Executive Committee”) will include Daniel Bischofberger as CEO and Adrian Grossenbacher as Chief Financial Officer (“CFO”). Other members of the Executive Committee will include Christoph Rofka as President of the Medium, Low Speed & Rail Division, Herbert Müller as President of the High Speed Division, Roland Schwarz as President of the Service Division and Dirk Bergmann as Chief Technology Officer. The following sets forth a brief description of the business experience and education for each prospective member of the Executive Committee<sup>01</sup>.

## Daniel Bischofberger will be Accelleron’s CEO

**Daniel Bischofberger** will be Accelleron’s CEO. Daniel was appointed as the Division President of Accelleron on March 1, 2022, having served as Member of Sulzer’s Executive Committee and Division President for Rotating Equipment Services for close to six years. He previously spent a combined period of over 14 years in various managerial roles at ABB, most recently as Head of High Voltage Products Central and South Europe. He has also held senior positions at Alstom and Dätwyler. Daniel gained an M.Sc. in Industrial Engineering and BA in Mechanical Engineering from the Swiss Federal Institute of Technology Zurich and an M.B.A. from INSEAD.

**Adrian Grossenbacher** will be Accelleron’s CFO. Adrian Grossenbacher will remain with Accelleron from ABB, where he has been CFO and global Division controller of ABB Turbocharging since 2017. Previously, Adrian was Global Product Group Controller and Commercial Manager for Low and Medium Speed products. Prior to joining ABB, Adrian held various leadership positions at Alstom and SQS. Adrian holds a Master’s Degree in Finance & Management from the University of Bern.

**Christoph Rofka** will be President of the Medium, Low Speed & Rail Division at Accelleron. Christoph Rofka will remain with Accelleron from ABB, where he was appointed Head of Medium & Low Speed product group in 2020. Christoph has held numerous positions within ABB’s Turbocharging Division since 1995, including as Technology Manager and manager of various product lines. Christoph holds a Master’s Degree in Mechanical Engineering from Leibniz Universität.

**Herbert Müller** will be President of the High Speed Division at Accelleron. Herbert Müller will remain with Accelleron from ABB, where he was appointed Head of the High Speed product group in 2019. Herbert has held numerous positions within ABB Turbocharging since 1996, including Head of Turbocharging Service, as well as other roles in business development, operations and sales. Herbert holds a Master’s Degree in Integrating Management and Technology from the Swiss Federal Institute of Technology Zurich.

**Roland Schwarz** will be President of the Service Division at Accelleron. Roland Schwarz will remain with Accelleron from ABB, where he was appointed Head of Turbocharging Service in 2019. Roland has held numerous positions within ABB’s Turbocharging Division since 1997 across managerial roles in Switzerland, China and Japan. Previously, Roland worked at ABB Enertech as a project controller. Roland graduated from AKAD University in Finance & Accounting.

**Dirk Bergmann** will be Chief Technology Officer at Accelleron. Dirk Bergmann will remain with Accelleron from ABB, where he was appointed as Chief Technology Officer of Turbocharging Division in 2020. Prior to joining ABB, Dirk served as the CTO of Kolben-Seeger, VP of Commercial Powertrains at FEV Europe, CEO of FPT Motoren-forschung and Director of MTU (now Rolls-Royce Power Systems). Dirk holds a PhD in Production Engineering from the University of Bremen.

<sup>01</sup> In addition to the Executive Committee positions listed here, a Chief Human Resources Officer (CHRO) will be appointed. The search for a suitable candidate is in progress.



# **Process information and timeline**

(Summary and reference to prospectus)



# Summary of the proposed spin-off transaction

## Overview

As part of its Capital Markets Day 2020 held on November 19, 2020, ABB announced that it would explore options to exit its Turbocharging business. On July 20, 2022, ABB announced its intention to seek shareholder approval for the spin-off of the business into a separately traded standalone company (the “spin-off” and, together with all necessary steps to implement the spin-off, the “transaction”), following the complete legal and structural separation of Accelleron from ABB (the “internal transactions”). The proposed spin-off will be executed by way of a dividend in kind of Accelleron shares distributed to ABB shareholders (the “spin-off distribution”).

ABB will distribute the Accelleron shares to its shareholders on a pro rata basis.

As a consequence of the spin-off, Accelleron will become an independent, publicly traded company on SIX Swiss Exchange.

## Eligibility to receive Accelleron shares

Provided that the spin-off distribution is approved at the EGM and the conditions precedent for it are met, each ABB shareholder will receive Accelleron shares with respect to all ABB shares that they hold or have acquired and do not sell or otherwise dispose of prior to the close of business on the cum-dividend date (Cum Date, as defined on p. 23).

You will not be required to make any payment, surrender or exchange your ABB shares or take any other action to receive your Accelleron shares in the spin-off. See p. 26 for “Conversion of SDRs into tradable Accelleron shares”.

## Distribution ratio and fractions

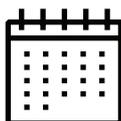
Provided that the spin-off distribution is approved at the EGM and the conditions precedent for it are met, you will receive 1 Accelleron share for each 20 ABB shares held or acquired and not sold or otherwise disposed of by you prior to the close of business on the Cum Date.

ABB shareholders will not receive fractional Accelleron shares and will instead receive cash upon the sale of the aggregated fractional shares in lieu of any fractional shares that they would have received after application of the distribution ratio. Regarding the treatment of fractions, see “Procedure to receive Accelleron shares – Treatment of fractional shares”, p. 24.

Holders of ABB ADRs entitled to receive a fraction of an Accelleron ADR will receive, in lieu thereof, an amount in cash equal to the net cash proceeds from the sale of the aggregated fractional entitlements to Accelleron ADRs (net of applicable fees, taxes and expenses, and rounded down to the nearest whole cent).

Holders of ABB shares registered with Euroclear Sweden will receive Accelleron SDRs in respect of their ABB shares. See “Holders of ABB shares registered with Euroclear Sweden”, p. 25 for information regarding the treatment of fractional SDRs.

# Indicative timeline



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01 Shareholders should contact their custodian bank or broker for further information about their account and when they will be able to begin trading their Accelleron shares.

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02 For details regarding the aggregation and sale of fractional shares, please refer to "Procedure to receive Accelleron shares", p. 24.

The ABB Board of Directors expects that the proposed spin-off will occur in the fourth quarter of 2022. The final dates are, among other things, dependent on stock exchange approvals and could be materially delayed or not occur at all. ABB will provide updates as additional information becomes available.

At the earliest, the proposed transaction could be completed according to the following timeline, which is generally applicable for ABB shareholders holding their shares in book-entry form.

- **September 7, 2022:** ABB Extraordinary General Meeting
- **September 23, 2022:** Publication of Accelleron listing prospectus
- **September 30, 2022:** Cum-dividend date (last day of trading ABB shares including the entitlement to receive Accelleron shares; the "Cum Date")
- **October 3, 2022:** Ex-dividend date (first day of trading ABB shares excluding the entitlement to receive Accelleron shares; the "Ex Date")
- **October 3, 2022:** Listing and first day of trading of Accelleron shares on SIX Swiss Exchange
- **October 3, 2022, or shortly after<sup>01</sup>:** Credit of Accelleron shares to ABB shareholders by their custodian bank or broker
- **Approximately 1 to 2 weeks after October 3, 2022:** Distribution of net cash proceeds for fractions of Accelleron shares<sup>02</sup>

## ABB ADRs

- **September 30, 2022:** Cum-distribution date (last day of trading ABB ADRs including entitlement to receive unsponsored Accelleron ADRs)
- **October 3, 2022:** Ex-distribution date (first day of trading ABB ADRs excluding entitlement to receive unsponsored Accelleron ADRs)
- **October 4, 2022:** ABB ADR Record date for the unsponsored Accelleron ADR distribution
- **October 11, 2022:** Distribution of unsponsored Accelleron ADRs to DTC for the benefit of holders of ABB ADRs by Citibank, N.A., as depository for the ABB ADRs
- **Approximately 2 weeks after October 11, 2022:** Distribution of net cash proceeds for fractional entitlements to Accelleron unsponsored ADRs

## ABB shares held in Euroclear Sweden

- **September 30, 2022:** Cum-dividend date (last day of trading ABB shares including the entitlement to receive Accelleron SDRs)
- **October 3, 2022:** Ex-dividend date (first day of trading ABB shares excluding the entitlement to receive Accelleron SDRs)
- **October 4, 2022:** Record date in Euroclear Sweden for the spin-off distribution
- **October 6, 2022:** Distribution of Accelleron SDRs to ABB shareholders and nominees, as relevant
- **Approximately 1 to 2 weeks after October 6, 2022:** Distribution of net cash proceeds for fractions of Accelleron shares

Titel	ISIN	Ticker symbol	Swiss Security number
ABB shares (listed on SIX Swiss Exchange / Stockholm Stock Exchange) ADRs (listed on NYSE)	CH0012221716	ABBN / ABB	1222171
	US0003752047	ABB	1220985
Accelleron shares (to be listed on SIX Swiss Exchange)	CH1169360919	ACLN	116936091

# Procedure to receive Accelleron shares

Provided that the spin-off distribution is approved at the EGM and the conditions precedent for it are met, ABB will distribute to its shareholders, on a pro rata basis, as a dividend in kind, 1 Accelleron share for 20 ABB shares held or acquired and not sold or otherwise disposed of by such holders prior to the close of business on the Cum Date. You will not be required to take any action.

## **Treatment of fractional shares**

No fractional Accelleron shares will be distributed in connection with the spin-off. Instead, Credit Suisse AG, as the Swiss settlement agent, will aggregate all fractional shares that ABB shareholders would otherwise have been entitled to receive and that have been notified to Credit Suisse AG by the relevant custodian banks or brokers through SIX SIS into whole shares and sell the whole shares in the open market at prevailing market prices. The aggregate cash proceeds of such sales, net of brokerage fees and other costs, will be distributed pro rata to the holders that would otherwise have been entitled to receive the fractional shares (based on the fractional share each such holder would otherwise be entitled to receive). Credit Suisse AG will not include fractional shares held by custodian banks or brokers that do not report their fractional shares to a SIX SIS participant, either di-

rectly or through another custodian bank, in the aggregate pool of fractional shares it will sell in the open market on behalf of ABB shareholders entitled to receive a fractional share. In the case of fractional shares held in the custody of custodian banks that do not report their fractional shares to a SIX SIS participant, each such custodian bank or broker is expected to sell the fractional shares in its custody and pay the aggregate cash proceeds of the sales, net of brokerage fees and other costs, pro rata to the relevant holders and net of any required withholding for taxes applicable to each holder.

No interest will be paid on any cash you receive in connection with the spin-off.

**Further information for holders of ADRs and holders of ABB shares registered with Euroclear**  
Holders of ADRs should refer to “Holders of ABB American Depositary Shares”, p. 28, for information regarding the effect of the proposed spin-off on their ADRs.

Holders of ABB shares registered with Euroclear Sweden should refer to “Holders of ABB shares registered with Euroclear Sweden”, p. 25, for information regarding the effect of the proposed spin-off on their shares.

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# Holders of ABB shares registered with Euroclear Sweden

## Spin-off distribution of SDRs

To ensure that all ABB's shareholders whose ABB shares are registered with Euroclear Sweden ("Euroclear Holders") can participate in the distribution of Accelleron shares, Accelleron shares will be distributed to such shareholders in the form of Swedish depository receipts (the "Accelleron SDRs"). Each Accelleron SDR will represent an ownership interest in 1 share of Accelleron. Accelleron SDRs will be issued and registered in the form of SDRs in the book-entry system administered by Euroclear Sweden. No certificates representing Accelleron SDRs will be issued. Accelleron SDRs will be denominated in Swedish krona (SEK) and will be freely transferable.

The Accelleron SDRs will not be listed on the Stockholm Stock Exchange, SIX Swiss Exchange or any other stock exchange or marketplace.

In connection with the spin-off distribution of the Accelleron shares, Accelleron shares will be deposited with Skandinaviska Enskilda Banken AB (the "Custodian"), through the Custodian's appointed sub-custodian in Switzerland, pursuant to a Custodian Agreement between Accelleron and the Custodian. The Custodian will then deliver Accelleron SDRs on or about October 6, 2022, to Euroclear Holders of record as of the record date in Euroclear Sweden on October 4, 2022.



Such shareholders will automatically receive 1 Accelleron SDR for each 20 ABB shares held on the record date in Euroclear Sweden.

Holders of Accelleron SDRs may hold the Accelleron SDRs either registered in their own name directly in a securities account in Euroclear Sweden or indirectly in Euroclear Sweden in a custody account with a custodian or a nominee.

#### **Treatment of fractional SDRs**

Only whole Accelleron SDRs will be delivered. Fractional Accelleron shares will be aggregated and sold on the open market at prevailing market prices as soon as practicable. The net cash proceeds from the sale of such fractional shares will subsequently be paid out to Accelleron SDR holders in accordance with their entitlements thereto approximately 1 to 2 weeks after October 6, 2022.

#### **Conversion of SDRs into tradable Accelleron shares**

Accelleron SDR holders wishing to trade the Accelleron shares underlying such SDRs on SIX Swiss Exchange after the spin-off distribution will need to re-register their Accelleron SDRs to Accelleron shares. Shareholders who are directly registered with Euroclear Sweden and who wish to re-register their Accelleron SDRs into Accelleron shares are required to open a qualifying account (a custody account, an investment savings account or an endowment insurance), transfer their Accelleron SDRs to that account, and request their custodian or nominee to re-register such SDRs into Accelleron shares. Accelleron and the Custodian will not charge any fees for such re-registration during a period of approximately four weeks following the spin-off distribution (custodians or nominees might charge fees).





Should you wish to re-register your Accelleron SDRs into Accelleron shares following that period, you would need to re-register the Accelleron SDRs at your own expense. Further information on how to request re-registration of SDRs into Accelleron shares will be available on [www.acceleron-industries.com/SDR](http://www.acceleron-industries.com/SDR). Directly registered shareholders will also receive an information letter regarding such re-registration procedure. Re-registration for nominee registered shareholders will be handled according to their respective nominee's procedures.

#### **Rights associated with Accelleron SDRs**

An Accelleron SDR holder will not have equivalent rights to holders of Accelleron shares, whose rights are governed by Swiss laws. Accelleron intends to establish procedures with the Custodian such that Accelleron SDR holders have the opportunity to exercise certain rights with respect to Accelleron as they would have if they owned shares directly. Please see below for a short description of rights associated with the Accelleron SDRs.

#### **Record, payment date, dividends and other distributions**

The Custodian will, in consultation with Accelleron, fix a record date for the entitlement of Accelleron SDR holders to Accelleron dividends in cash, shares, rights, or any other property or proceeds thereof, receive applicable information to attend and vote at shareholders' meetings and certain other rights. The

Custodian will also, in consultation with Accelleron, fix the date for payment of any dividend to Accelleron SDR holders, if any dividends are paid.

An Accelleron SDR holder will be entitled to any dividends on Accelleron shares. Cash dividends will be converted into SEK.

#### **Voting rights**

The Custodian will, as soon as possible after receipt of notice of any general meeting of Accelleron's shareholders, furnish record holders of Accelleron SDRs with the following information regarding such general meeting:

- the time and location of the general meeting of shareholders and the matters intended to be considered at the meeting;
- reference to instructions available through Accelleron's website as to the actions that must be taken by Accelleron SDR holders to be able to exercise their voting rights at the general meeting; and
- reference to materials for the general meeting available through Accelleron's website.

#### **SDR program duration**

The SDR program will be available for a limited period of time only. Further information will be provided on [www.acceleron-industries.com/SDR](http://www.acceleron-industries.com/SDR).

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## Holders of ABB American Depository Shares

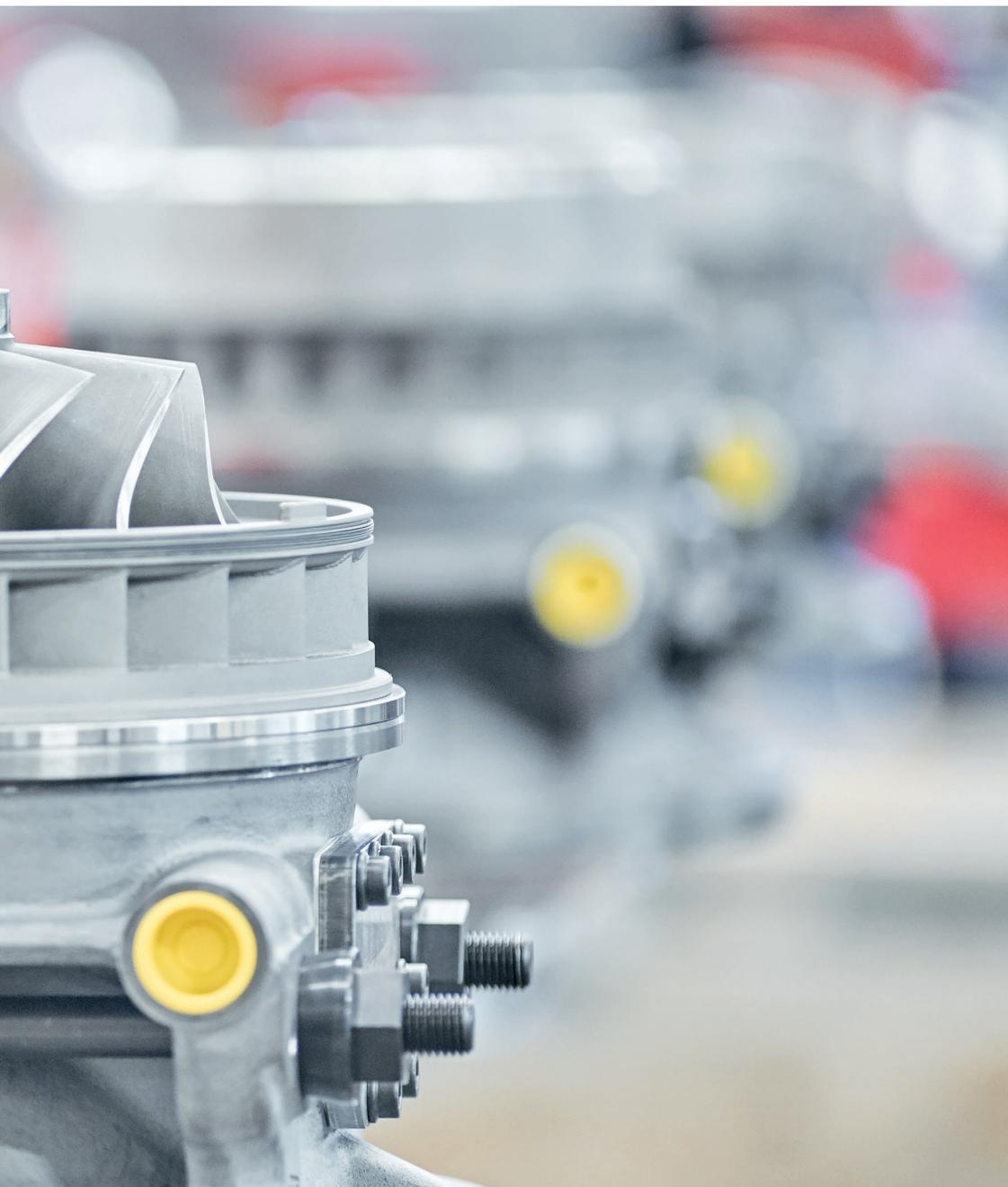
Citibank, N.A., as depositary for the ABB ADRs, has indicated to ABB that it intends to distribute the Accelleron shares it receives in the spin-off distribution in the form of Accelleron unsponsored ADRs to holders of ABB ADRs as of an ABB ADR record date to be announced by Citibank, N.A., as depositary for the ABB ADRs. The terms of the Accelleron unsponsored ADRs will be detailed in a registration statement on Form F-6 that Citibank, N.A., as depositary for the Accelleron ADRs, intends to file with the U.S. Securi-

ties and Exchange Commission (SEC) prior to the distribution of the Accelleron ADRs. The registration statement on Form F-6 for the Accelleron unsponsored ADRs will be available on the SEC website at [www.sec.gov](http://www.sec.gov) immediately after its filing. Citibank, N.A., as depositary for the ABB ADRs, will distribute to the holders of ABB ADRs as of the applicable ABB ADR record date a depositary notice detailing the distribution of Accelleron unsponsored ADRs including a timeline, related



fees, and a plain English description of the terms and conditions of the Accelleron unsponsored ADRs. Holders of ABB ADRs should refer to the ABB ADR Deposit Agreement for more information about any applicable fees, which may be found on the SEC website [www.sec.gov](http://www.sec.gov). Neither Accelleron nor ABB will sponsor the

Accelleron ADR program. Holders of ABB ADRs who do not wish to receive Accelleron unsponsored ADRs need to cancel their ABB ADRs at least five business days in advance of the Cum Date on the ABB shares for the proposed spin-off distribution.



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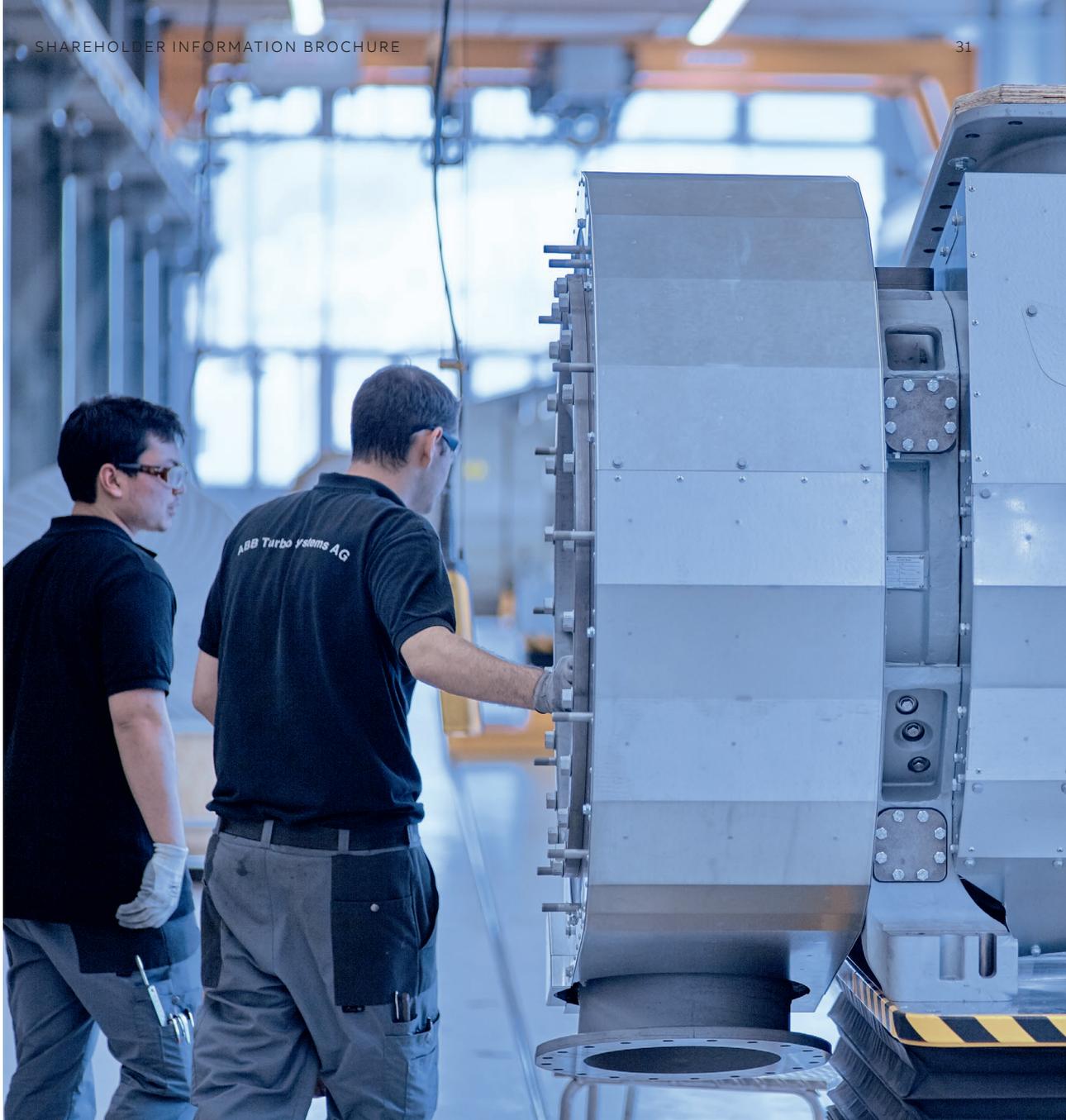
# Overview of the tax treatment for ABB Shareholders and holders of ABB American Depositary Shares<sup>01</sup>

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01 Including shareholders whose ABB shares are registered with Euroclear Sweden

The following is a general summary of certain tax consequences of the proposed spin-off to ABB shareholders who are tax residents in Switzerland or Sweden or who are “U.S. Holders”, as defined below. Tax consequences are subject to changes in applicable laws, including changes that could have retroactive effect. This summary is not intended to constitute a complete analysis of all potential tax consequences relevant to the spin-off, does not purport to be a le-

gal opinion or a tax advice and does not address all tax aspects that may be relevant to any particular ABB shareholder. Tax consequences may be affected by the provisions of any applicable tax treaties and each shareholder’s particular circumstances. Accordingly, all ABB shareholders and ADR holders should consult their own tax advisors as to the tax consequences to them of the spin-off.





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## Tax considerations Switzerland

### General

ABB has received rulings from the Swiss Federal Tax Administration and from the tax administration of the Cantons of Aargau and Zurich addressing the relevant Swiss corporate tax consequences of the spin-off.

### Internal transactions

The internal transactions in Switzerland leading up to the spin-off distribution qualify as tax neutral reorganizations for ABB. This has been confirmed in tax rulings issued by the Swiss Federal Tax Administration for the purposes of Swiss federal withholding tax and Swiss federal stamp duties as well as with the tax administrations of the Cantons of Aargau and Zurich for the purposes of Swiss federal and Aargau and Zurich cantonal and communal corporate income taxes.

The internal transactions have no Swiss tax consequences for ABB Shareholders.

### Spin-off distribution

In connection with the internal transactions new share capital will be created at the level of Accelleron. The spin-off distribution results in an allocation of this newly created share capital to the ABB shareholders.

The spin-off distribution therefore triggers the Swiss federal withholding tax on the nominal value of the newly created share capital. Since the spin-off distribution is a dividend in kind, ABB intends to add a cash portion in order to cover such Swiss withholding tax.

As a consequence, the spin-off distribution will consist of (i) Accelleron shares and/or any cash in lieu of fractional shares (through the settlement

agent) as well as (ii) a cash portion in the amount of the applicable Swiss withholding tax. The cash portion will be deducted from the spin-off distribution and remitted to the Swiss Federal Tax Authorities in order to cover the Swiss withholding tax. The ABB shareholders will therefore receive only the Accelleron shares (and/or any cash in lieu of fractional shares) and not the cash portion. The distribution in kind of the Accelleron shares (and the payment in lieu of fractional Accelleron shares) does not trigger any Swiss federal stamp duties (Stempelabgaben) for the ABB shareholders.

For the purposes of Swiss federal withholding tax and Swiss federal stamp duties this qualification has been confirmed for ABB in a tax ruling issued by the Swiss Federal Tax Administration. For corporate income tax, this qualification has been confirmed by the cantonal tax administrations of Aargau and Zurich.

The following Swiss individual and corporate income tax consequences will result for ABB Shareholders who are tax resident in Switzerland and receive (i) an Accelleron share or (ii) cash in lieu of fractional shares as well as (iii) a cash portion:

- Shareholders holding their ABB shares as private assets (Privatvermögen) will be subject to individual income tax on the spin-off distribution in the amount of the sum of the nominal value of the Accelleron shares and fractional rights received, as well as the cash portion. The amount of the cash portion can be credited against the income tax due or reclaimed if properly declared by the shareholder. Any capital gain or loss resulting from the exchange of fractional rights into a cash settlement by the mandated Swiss bank (settlement agent) will qualify as a tax-exempt capital gain or non-tax-deductible loss.
- Shareholders holding their ABB shares as business assets (Geschäftsvermögen; including ABB shares held by a professional securities dealer for tax purposes) should not be subject to income tax on the distribution of the Accelleron shares unless the distribution leads to an increase of the (tax) book value of the shares for the statutory accounting purposes. The cash portion as well as any gain or loss resulting of the sale of fractional rights will be subject to individual income or corporate income tax. The Swiss withholding tax deducted (corresponding to the cash portion) can be reclaimed by filing the corresponding forms.
- ABB Shareholders who are not tax residents of Switzerland are not subject to any Swiss federal, cantonal and communal individual and corporate income taxes, except if their ABB shares are attributed to a permanent establishment or a fixed place of business in Switzerland.

### **Taxable distributions**

ABB is required to deduct 35 percent Swiss withholding tax on dividends made or paid on shares out of distributable profits (i) of the business year or (ii) brought forward from previous business years as well as reserves other than reserves from capital contributions and remit the tax deducted to the Swiss Federal Tax Administration.

### **Refund of Swiss withholding tax**

The Swiss Federal Tax Administration or the relevant cantonal tax authority, as applicable, will refund or credit Swiss withholding tax deducted in full to individuals resident in Switzerland and to holders who hold the ABB shares on which the dividends have been paid as part of a trade or business in Switzerland and who, in particular, in each case, are the beneficial owners of the ABB shares and duly report the dividend in the income tax return or the financial statements, respectively, for the relevant tax period.

A holder who is not resident in Switzerland and who does not hold the ABB shares as part of the assets attributable to a permanent establishment or fixed place of business in Switzerland may be entitled to a full or partial refund by the Swiss Federal Tax Administration of the Swiss withholding tax deducted in accordance with the conditions of the tax convention between the country of residence of the holder and Switzerland, if any. The procedures for claiming treaty benefits (and the time required for obtaining a refund) may differ from country to country and Switzerland does not currently offer any expedited or simplified refund mechanism.

### **Example**

For Swiss withholding tax purpose, the spin-off will be executed – as for the dividend in kind part – at nominal value of the Accelleron shares with a corresponding effect for the cash-part of the dividend.

In order to visualize the amount of Swiss withholding tax applicable, the following example should provide more clarity:

An ABB shareholder holding 1,000 ABB shares will receive 50 Accelleron shares with a nominal value of CHF 0.01 per share (based on the exchange ratio of 1:20). The corresponding Swiss withholding tax will amount to approx CHF 0.27 (rounded to the nearest whole cent).

This example is for indicative purposes only and might vary in each single case. The relevant Swiss withholding tax levied as for each case will be disclosed on the dividend statement as for each ABB Shareholder.

## Tax considerations Sweden

The following is a summary of certain tax consequences that, based on the currently applicable Swedish tax legislation, may arise from the proposed spin-off distribution. The summary is based on current legislation, is intended to only provide general information and is only applicable to individuals and limited liability companies that are resident in Sweden for tax purposes, unless otherwise stated. The summary is not exhaustive and does not cover, for example, (i) shares held by partnerships or held as current assets in business operations, (ii) the specific rules on tax-exempt capital gains (including non-deductibility for capital losses) and dividends in the corporate sector, which may become applicable when shareholders hold shares that are considered to be held for business purposes (näringsbetingade andelar), (iii) the specific rules that in some cases may be applicable to shares in companies that are, or have been, closely held companies (fåmansföretag) or to shares that have been acquired through the use of such shares, (iv) foreign companies that operate a business from a permanent establishment in Sweden, or foreign companies that have previously been Swedish companies, or (v) shares that are held through special investment vehicles such as so called investment savings accounts (investeringssparkonto) or endowment insurances (kapitalförsäkring).

Special tax rules also apply to certain categories of taxpayers, such as investment companies, mutual funds and insurance companies, and to situations that are considered abusive. Accordingly, the tax treatment of each individual shareholder depends on the individual's particular circumstances. Each shareholder should therefore analyze the tax implications of the transaction based on their own specific set of circumstances, including the potential applicability and effect of foreign tax rules and tax treaties. The summary below is based on the assumption that the respective shares in ABB and Accelleron shall be considered as listed for tax purposes.

### Spin-off distribution

To ensure that ABB's shareholders whose ABB shares are registered with Euroclear Sweden can participate in the spin-off distribution, the Accelleron shares will be distributed to such shareholders in the form of Accelleron SDRs. Each Accelleron SDR will represent an ownership interest in 1 Accelleron share. Swedish ABB shareholders will thus in the spin-off distribution receive (i) Accelleron SDRs and/or cash in lieu of fractional Accelleron shares as well as (ii) a cash portion in respect of Swiss withholding taxes (as described under "Tax considerations Switzerland").

### Accelleron SDRs

An SDR should for Swedish income tax purposes be treated as the underlying share.

Swedish shareholders are generally subject to income tax upon dividend distributions in kind (e.g., in the form of shares), based on the market value of the distributed shares/SDRs. The income tax is levied at a rate of 20.6 percent for limited liability companies and 30 percent for individuals.

However, if the criteria for a so-called Lex ASEA distribution (as defined under Swedish tax law) are met, the spin-off distribution consisting of Accelleron shares/SDRs should instead be fully exempt from Swedish income tax for Swedish shareholders. It is the understanding of ABB and its external advisors that the spin-off distribution consisting of Accelleron shares/SDRs should qualify as a Lex ASEA distribution. ABB has obtained a reply from the Swedish Tax Agency concerning whether the intended transaction meets the criteria for a Lex ASEA distribution. The Swedish Tax Agency has confirmed that the Lex ASEA rules are applicable in this case.

In case of a Lex ASEA distribution, the tax basis (i.e., the amount which may be deducted for calculating capital gains) of the ABB shares will be split between these shares and the Accelleron SDRs received. The allocation of the tax basis will be determined as a percentage, by reference to the change in value of the shares in ABB that arises due to the distribution of the shares in Accelleron. ABB will request general guidelines from the Swedish Tax Agency regarding the split of the tax basis due to the distribution. Information regarding the general guidelines from the Swedish Tax Agency will be published as soon as possible on the respective websites of ABB and the Swedish Tax Agency.

The Swiss withholding tax on the spin-off distribution is expected to be of in practice immaterial amounts, please see p. 31-32, but for the sake of completeness it has been assessed that the Swiss withholding tax is not possible to credit against Swedish tax as the spin-off distribution consisting of Accelleron shares/SDRs is expected to be tax exempt and qualify as a Lex ASEA distribution.

### Cash in lieu of fractional shares

Only whole Accelleron SDRs will be delivered to the Swedish shareholders. Fractional Accelleron shares will be aggregated and sold on the open market at prevailing market prices. The proceeds from the sale of such fractional shares will subsequently be paid out to the Swedish shareholders



entitled to such proceeds. Any sale of fractional Accelleron shares on behalf of the Swedish shareholders will be subject to Swedish capital gains tax.

#### **Individuals**

When listed shares are sold or otherwise disposed of, a taxable capital gain or a deductible capital loss may arise. Capital gains are taxed as capital/investment income at a rate of 30 percent. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis.

The tax basis for all shares and Accelleron SDRs of the same class and type is calculated together in accordance with the “average cost method”. The acquisition cost, and thus the tax basis, for the Accelleron shares/SDRs received through the distribution from ABB is calculated based on the general

guidelines which will be received from the Swedish Tax Agency. Alternatively, the tax basis may be determined as 20 percent of the sales proceeds after deducting sales costs.

Capital losses on listed shares are fully deductible against taxable gains on listed and non-listed shares and other listed equity-related securities. Capital losses that cannot be set off in this way can be deducted by 70 percent against other capital/investment income. If there is a net loss in the capital/investment income basket (inkomstslaget kapital), a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction is allowed with 30 percent on the amount of such net loss that does not exceed SEK 100,000 and with

21 percent on the net loss exceeding SEK 100,000. Losses cannot be carried forward to a later income year.

#### Limited liability companies

For Swedish limited liability companies, taxable capital gains are taxed as business income at a rate of 20.6 percent. Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares may only be deducted against taxable capital gains on shares and other equity-related securities. Under certain circumstances, such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (koncernbidragsrätt) between the companies are met. A capital loss that cannot be utilized during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during future income years, without limitation in time.

#### Cash portion

The spin-off distribution will consist of a cash portion in order to cover the Swiss withholding tax levied on the spin-off distribution. Please see p. 31-32. The cash portion will be deducted from the spin-off distribution and remitted to the Swiss Federal Tax Authorities in order to cover the Swiss withholding tax.

The cash portion will be subject to Swedish dividend taxation. The shareholder will need to report the cash portion amount as taxable dividend income in the income tax return for 2022. For the sake of completeness, it is expected that the cash portion per share as well as the Swiss withholding tax on the cash dividend is expected to in practice be of immaterial amounts (please see p. 31-32). Please note that the dividend access facility as otherwise established for shareholders of ABB who are resident in Sweden will not be available.

In order to avoid double taxation Swedish shareholders may in general receive a Swedish tax credit equal to non-refundable tax withheld in Switzerland.

#### Individuals

Cash dividend from ABB is taxed as capital/investment income (kapitalinkomst) subject to a flat tax rate of 30 percent. The shareholder will need to report the cash portion amount as taxable dividend income in the income tax return for 2022.

#### Limited liability companies

Cash dividend from ABB is taxed as business income at a rate of 20.6 percent. The shareholder will need to report the cash portion amount as taxable dividend income in the income tax return for 2022.

## Tax considerations United States of America

The following is a summary of the material U.S. federal income tax consequences of the distribution to U.S. Holders (as defined below) of Accelleron shares and Accelleron ADRs. For purposes of this summary, references to "ABB shares" and "Accelleron shares" shall include ABB ADRs and Accelleron ADRs respectively, and references to "ABB shareholders" shall include holders of ABB ADRs.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of ABB shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more United States persons within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986 (the "Code"), or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

This summary also does not discuss all tax considerations that may be relevant to holders in light of their particular circumstances, nor does it address the consequences to holders subject to special treatment under the U.S. federal income tax laws, such as:

- U.S. expatriates and former citizens or long-term residents of the United States;
- dealers or brokers in securities, commodities or currencies;
- tax-exempt organizations;
- banks, insurance companies or other financial institutions;
- mutual funds;
- regulated investment companies and real estate investment trusts;
- a corporation that accumulates earnings to avoid U.S. federal income tax;
- holders who hold individual retirement or other tax-deferred accounts;
- holders who acquired ABB shares pursuant to the exercise of stock options or otherwise as compensation;

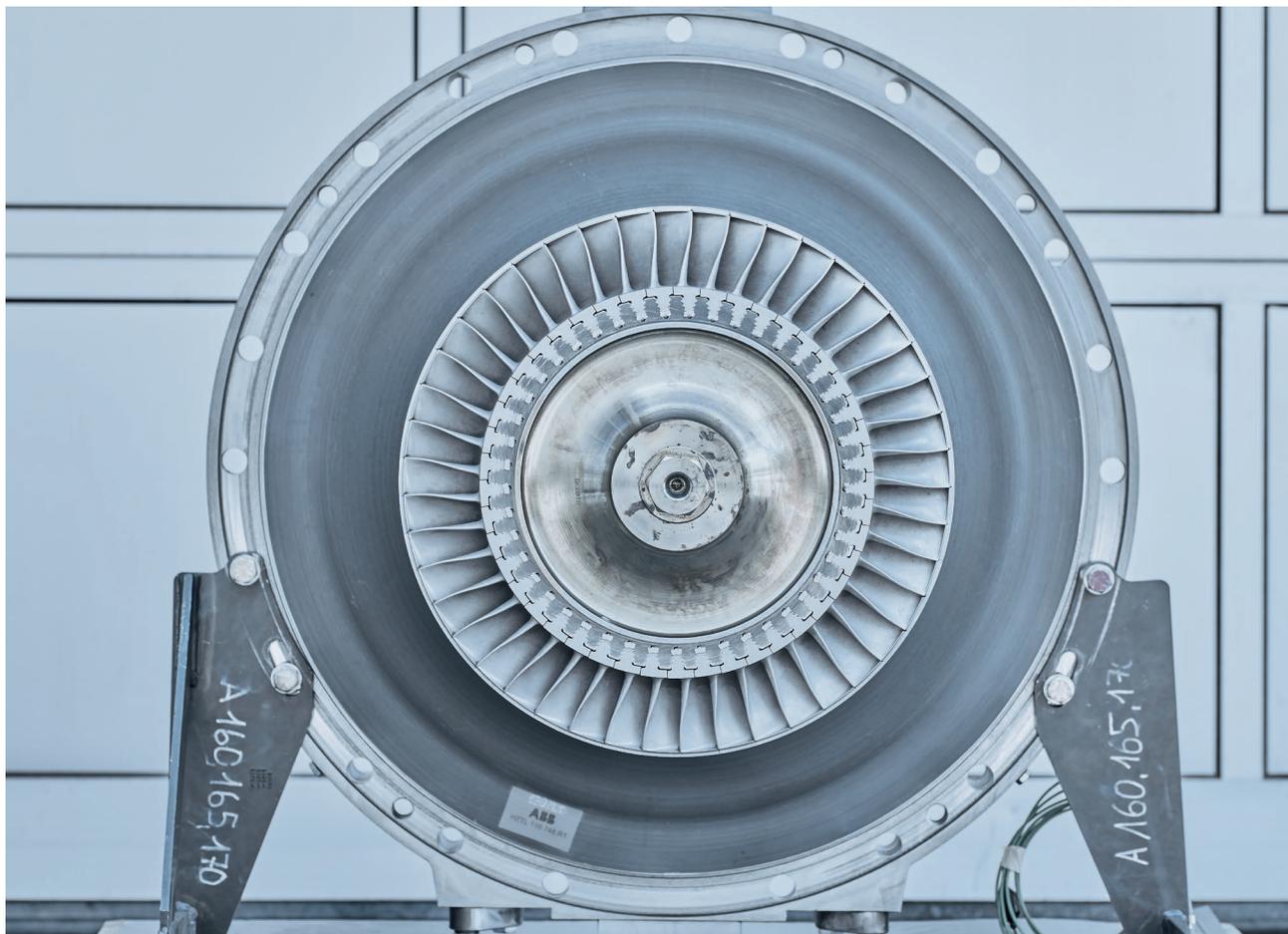
- holders who own, or are deemed to own, at least 10 percent or more, by voting power or value, of ABB shares;
- holders who hold ABB shares as part of a hedge, appreciated financial position, straddle, constructive sale, conversion transaction or other risk reduction transaction;
- traders in securities who elect to apply a mark-to-market method of accounting;
- holders who have a functional currency other than the U.S. dollar;
- holders who are subject to the alternative minimum tax; or
- partnerships or other pass-through entities or investors in such entities.

This summary does not address the U.S. federal income tax consequences to U.S. Holders who do not hold ABB shares as a capital asset. Moreover, this summary does not address any state, local or foreign tax consequences or any estate, gift or other non-income tax consequences, the consequences of the Medicare tax on net investment income or the consequences of the foreign currency exchange rules.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds ABB shares, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Partners in a partnership holding ABB shares should consult their own tax advisors regarding the tax consequences of the distribution.

For U.S. federal income tax purposes, although not free from doubt, ABB intends to take the position that a U.S. Holder of ABB ADRs or Accelleron ADRs is treated as the beneficial owner of the underlying ABB shares or Accelleron shares represented by the ABB ADRs or Accelleron ADRs, as applicable. The remainder of this discussion assumes that a U.S. Holder of the ABB ADRs and the Accelleron ADRs will be treated in this manner. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADR and the issuer of the security underlying the ADR may be taking actions that are inconsistent with the beneficial ownership of the underlying shares. Accordingly, the creditability of foreign taxes and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ABB ADR and ABB.

In addition, the Accelleron ADRs are expected to be issued as “unsponsored” ADRs and, accordingly, there is increased risk that a U.S. Holder of Accelleron ADRs is not treated as the beneficial owner of the respective Accelleron shares for U.S. federal income tax purposes. In such event, the distribution of such Accelleron ADRs could be treated as a taxable distribution for U.S. federal income tax purposes regardless of whether it would otherwise qualify as a tax-free distribution. U.S. Holders should consult their own tax



advisors regarding the U.S. federal income tax treatment of the Accelleron ADRs.

This summary further assumes that ABB is not and has not been a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes at any point during any U.S. Holder’s holding period for its ABB shares. In that regard, ABB believes that ABB is not currently a PFIC. To the extent ABB is a PFIC, the tax consequences described below may be materially different. Accordingly, U.S. Holders should consult their own tax advisors regarding the tax consequences if ABB is a PFIC.

**U.S. federal income tax consequences of the distribution to U.S. Holders**

Although not free from doubt, ABB intends to take the position that the distribution to ABB shareholders of Accelleron shares is tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D) and/or 355 of the Code. However, ABB Ltd has not sought and does not intend to seek an opinion of counsel or a ruling from the U.S. Internal Revenue Service (the “IRS”) with respect to the treatment of the distribution for U.S. federal income tax purposes and there can be no assurance that the IRS will not assert that the distribution is taxable. In addition, certain events that may or may not be within the control of ABB or Accelleron could cause the distribution to fail to qualify as tax-free for U.S. federal income tax purposes.

If the distribution qualifies as tax-free under Sections 368(a)(1)(D) and/or 355 of the Code, then for U.S. federal income tax purposes:

- no gain or loss will be recognized by, or be includible in the income of, a U.S. Holder of ABB shares, solely as a result of the receipt of Accelleron shares in the distribution;
- the aggregate tax basis of the ABB shares and Accelleron shares in the hands of a U.S. Holder of ABB shares immediately after the distribution will be the same as the aggregate tax basis of the ABB shares held by the holder immediately before the distribution, allocated between the ABB shares and Accelleron shares, including any fractional share interest for which cash is received, in proportion to their relative fair market values on the date of the distribution;
- the holding period with respect to Accelleron shares received by a U.S. Holder of ABB shares will include the holding period of its ABB shares; and
- a U.S. Holder of ABB shares who receives cash in lieu of a fractional Accelleron share in the distribution will be treated as having sold such fractional share for cash and generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and such holder’s adjusted tax basis in the fractional share. That gain or loss will be long-term capital gain or loss if the holder’s holding period for its ABB shares exceeds one year.

U.S. Treasury Regulations generally provide that if a U.S. Holder of ABB shares holds different blocks of ABB shares (generally ABB shares purchased or acquired on different dates or at different prices), the aggregate basis for each block of ABB shares purchased or acquired on the same date and at the same price will be allocated, to the greatest extent possible, between the Accelleron shares received in the distribution in respect of such block of ABB shares and such block of ABB shares, in proportion to their respective fair market values, and the holding period of the Accelleron shares received in the distribution in respect of such block of ABB shares will include the holding period of such block of ABB shares, provided that such block of ABB shares was held as a capital asset on the distribution date. If a U.S. Holder of ABB shares is not able to identify which particular Accelleron shares are received in the distribution with respect to a particular block of ABB shares, for purposes of applying the rules described above, the U.S. Holder may designate which Accelleron shares are received in the distribution in respect of a particular block of ABB shares, provided that such designation is consistent with the terms of the distribution. Holders of ABB shares are encouraged to consult their own tax advisors regarding the application of these rules to their particular circumstances.

Each U.S. Holder would be treated as receiving a taxable distribution (“deemed distribution”) in an amount equal to the U.S. dollar value of such U.S. Holder’s pro rata portion of the Swiss withholding taxes paid by ABB in connection with the distribution of Accelleron shares. Because ABB does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect the deemed distribution will be reported as a dividend for U.S. federal income tax purposes. The deemed distribution will not be eligible for dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. To non-corporate U.S. Holders, the deemed distribution may be “qualified dividend income”, subject to certain conditions and limitations. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for the deemed distribution.

Subject to certain complex conditions and limitations, a U.S. Holder’s pro rata portion of the Swiss withholding taxes paid by ABB in connection with the distribution of Accelleron shares may be eligible for credit against the U.S. Holder’s federal income tax liability. The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming a deduction (in lieu of

the foreign tax credit) for any foreign taxes paid or withheld.

If, contrary to ABB's intended treatment, the distribution does not qualify as tax-free under Sections 368(a)(1)(D) and/or 355 of the Code, each U.S. Holder who receives Accelleron shares in the distribution would be treated as receiving a taxable distribution on the date such Accelleron shares are received by the U.S. Holder (or, in the case of a U.S. Holder of ABB ADRs, on the date that such Accelleron shares are received by the depositary) in an amount equal to the sum of the fair market value of the Accelleron shares that were distributed to the holder (including any fractional share interest for which cash is received) and the U.S. Holder's pro rata portion of the Swiss withholding taxes paid by ABB in connection with the distribution of Accelleron shares. U.S. Holders generally would take a tax basis in Accelleron shares equal to the fair market value of the Accelleron shares (excluding any fractional share interest for which cash is received) on the date of the distribution, and their holding period in the Accelleron shares would begin on the date of the distribution.

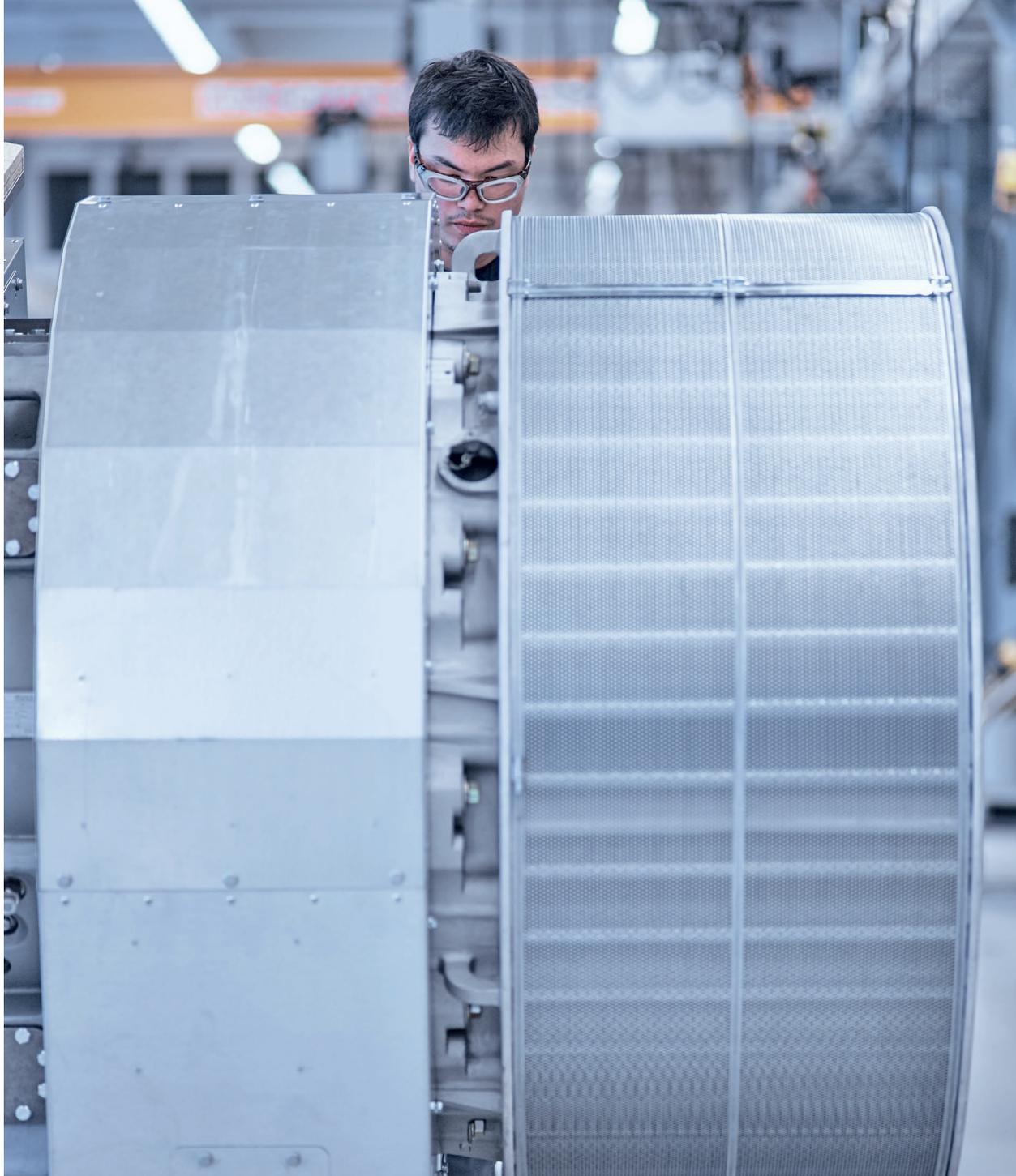
The remainder of this summary assumes the distribution qualifies as tax-free for U.S. federal income tax purposes.

**Information reporting and backup withholding**  
U.S. Treasury Regulations require certain shareholders who receive shares in a distribution that is treated as tax free pursuant to Section 355 of the Code to attach to their U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution.

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives cash in lieu of fractional Accelleron shares in the distribution. Certain U.S. Holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or





- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

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The foregoing is a summary of the material U.S. federal income tax consequences of the distribution under current law. The foregoing does not purport to address all U.S. federal income tax consequences or tax consequences that may arise under the tax laws or that may apply to particular categories of shareholders. Each ABB shareholder is encouraged to consult its own tax advisor as to the particular tax consequences of the distribution to such shareholder, including the application of U.S. federal, state, local and foreign tax laws, and the effect of possible changes in tax laws that may affect the tax consequences described above.

# Proposal of the Board of Directors of ABB Ltd to the EGM

## Approval of the spin-off of Accelleron Industries Ltd by way of a special dividend

### Proposal

The Board of Directors proposes to distribute 1 share in Accelleron and a cash amount of approximately CHF 0.005 gross for every 20 dividend-bearing shares of ABB<sup>01</sup> (the "Distribution"). The Distribution will be made at the book value of Accelleron according to the stand-alone balance sheet of ABB, amounting (immediately prior to the Distribution) to approximately CHF 300 million (estimated), and will be booked against ABB's free reserves, currently amounting to approximately CHF 4 billion. The Board of Directors shall determine in its discretion the treatment of fractional shares, it being understood that respective Accelleron shares shall generally be sold and cash proceeds shall be delivered in lieu of fractional shares.

All dividend-bearing ABB shares (including those which customarily receive cash dividends indirectly via ABB's dividend access facility as set forth under article 8 of its Articles of Incorporation) will receive the Distribution, i.e., a dividend in kind, in accordance with the terms set out above. Hence, the Distribution will not be processed via the aforementioned dividend access facility.

The Swiss withholding tax of 35 percent, corresponding to the cash component of the Distribution of approximately CHF 0.005 for every 20 dividend-bearing ABB shares, will be deducted from the gross amount of the Distribution and will be

settled by ABB. As a result, the Distribution, net of Swiss withholding tax, will consist of 1 Accelleron share for every 20 dividend-bearing shares.

The Distribution is subject to the following conditions precedent:

- approval of the listing and trading of the Accelleron shares on SIX Swiss Exchange shall have been given as from the ex-dividend date (subject to certain customary conditions only);
- no order, injunction or decree issued by any governmental authority or other legal restraint or prohibition preventing the consummation of the spin-off of Accelleron shall be in effect, and no other event shall have occurred that prevents the consummation of the spin-off of Accelleron; and
- no other events or developments shall have occurred prior to the ex-dividend date of the Distribution that would result in the spin-off of Accelleron having a material adverse effect on ABB or its shareholders.

The Board of Directors shall (i) determine whether these conditions precedent are satisfied and, to the extent legally permissible, have authority to waive any conditions precedent if such waiver is, in the judgment of the Board of Directors, in the best interest of ABB and its shareholders; and (ii) set the record, ex-dividend and settlement dates of the Distribution, which shall occur as soon as practicable following the satisfaction (or waiver) of these conditions precedent.

<sup>01</sup> No dividend will be declared on treasury shares held at the date of Distribution by ABB Ltd and its wholly-owned subsidiaries.



## Additional information



## Q&A



### — **What are the relevant dates for my entitlement to receive Accelleron shares?**

Please refer to “Indicative timeline”, p. 23.

### — **When will I receive the Accelleron shares?**

The ABB Board of Directors will determine the timeline (see “Indicative timeline”, p. 23). It is expected that Accelleron shares will be credited to ABB shareholders on or shortly after the Ex Date. ABB expects to announce the final timeline no later than two weeks prior to the actual Ex Date of the spin-off.

### — **What do I have to do to receive Accelleron shares?**

ABB shareholders, including Euroclear holders and holders of ABB ADRs will not be required to take any action, pay any cash, deliver any other consideration, or surrender any ABB shares or ADRs in order to receive Accelleron shares, Accelleron ADRs or Accelleron SDRs, as the case may be. See p. 25 for “Holders of ABB shares registered with Euroclear Sweden”.

### — **Do I have to pay any consideration in order to receive Accelleron shares allocated to me in the spin-off? Will there be any transaction costs for me?**

No consideration will have to be paid in order to receive Accelleron shares.

As a general rule, the receipt of any Accelleron shares pursuant to the spin-off distribution is free of charge subject to any fees charged by the depository banks, brokers or custodians. To learn more about such fees, please consult your custodian bank or broker.

### — **What will happen to the price of ABB shares following the spin-off?**

ABB expects the trading prices of ABB shares on and immediately following the Ex Date to be lower

than the trading prices immediately prior to the Ex Date because the trading prices will no longer reflect the value of the Turbocharging business.

There can be no assurance that the aggregate market value of the ABB shares and the Accelleron shares following the spin-off will be higher than, equal to or lower than the market value of ABB shares if the spin-off did not occur, i.e., the combined trading prices of 20 ABB shares and 1 Accelleron share on or after the Ex Date may be equal to, greater than or less than the trading price of 20 ABB shares before the Ex Date.

### — **If I currently hold ABB ADRs, will I receive Accelleron shares or ADRs?**

Citibank, N.A., the depository bank for the ABB ADRs, has informed ABB that it will not distribute to ADR holders the Accelleron shares it receives in the spin-off distribution as depository for the ABB ADRs. Instead, Citibank, N.A., as depository bank for the ABB ADRs, has proposed to establish an unsponsored ADR program in respect of the Accelleron shares it receives in the spin-off distribution, and to distribute the unsponsored Accelleron ADRs to holders of ABB ADRs. The distribution will be subject to customary fees in accordance with the ABB ADR program. Neither ABB nor Accelleron will sponsor the Accelleron ADR program. The Accelleron ADRs will not be listed on any exchange in the U.S. but are expected to trade in the U.S. over-the-counter market. Citibank, N.A., as depository bank for the ABB ADRs, has informed ABB that a registration statement on Form F-6 will be filed for the unsponsored Accelleron ADRs (which will contain all of the terms and conditions of the unsponsored Accelleron ADRs), and that it will distribute a notice to the applicable ABB ADR holders detailing the spin-off distribution of the unsponsored Accelleron ADRs to ABB ADR holders as well as a summary description of the unsponsored Accelleron ADRs. Holders of ABB ADRs who do not wish to receive unsponsored Accelleron ADRs in the spin-off distribution (but instead wish to receive Accelleron shares) will need to cancel their ABB ADRs sufficiently in advance of the effective date of the spin-off distribution to become a direct ABB shareholder in Switzerland prior to the Cum Date.



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**What happens if the number of ABB shares held by me is not a multiple of 20?**

You will receive compensation for any fractional shares in cash resulting from the sale of the aggregate amount of all such fractional shares in the open market at prevailing market prices (see “Procedure to receive Accelleron shares”, p. 24).

—

**What are the tax implications as a Swiss shareholder?**

For an overview of tax consequences in Switzerland, please refer to the section “Tax considerations Switzerland”, p. 31.

Any ABB shareholders who are in doubt as to their tax position should consult their own tax advisor regarding the specific federal and local tax consequences applicable to them in connection with the receipt of Accelleron shares.

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**What are the tax implications as a Swedish shareholder?**

For an overview of tax consequences in Sweden, please refer to the section “Tax considerations Sweden”, p. 33.

Any ABB shareholders who are in doubt as to their tax position should consult their own tax advisor regarding the specific tax consequences applicable to them in connection with the receipt of Accelleron SDRs.

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**What are the tax implications as a U.S. shareholder or ADR holder?**

For an overview of tax consequences in the United States, please refer to the section “Tax considerations United States of America”, p. 35.

U.S. holders should consult their own tax advisors regarding the specific consequences applicable to them in connection with their expected receipt of Accelleron ADRs in the spin-off.

—

**When will trading in the Accelleron shares start?**

Subject to approval of the spin-off at the EGM, ABB expects to announce the final timeline no later than two weeks prior to the actual Ex Date for the spin-off (see “Indicative timeline”, p. 23).

—

**How will the spin-off impact the ABB dividend payout?**

Regardless of the separation of Accelleron, ABB intends to continue paying a rising, sustainable dividend per share over time, building on the CHF 0.82 per ABB share approved by its shareholders in the Annual General Meeting on March 24, 2022.

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**I am registered in the ABB share register. What do I have to do in order to be registered on the Accelleron share register?**

ABB shareholders registered in the ABB share register will not be automatically registered in the Accelleron share register (unless there is a general registration form placed with their cus-

todian). Please contact your bank or broker if you wish to register your Accelleron shares following the spin-off.

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**Are there risks associated with owning Accelleron shares?**

Ownership of Accelleron shares is subject to market risk and general and specific risks relating to the business of Accelleron, the industry in which Accelleron operates, its ongoing contractual relationships with ABB and its status as a separate, publicly traded company. Ownership of Accelleron shares is also subject to risks relating to the spin-off. Material risks associated with the Accelleron shares are disclosed in the prospectus, once available (see the “Important information”, p. 5 and “Additional information”, p. 41).



# Q&As for shareholders whose ABB shares are registered with Euroclear Sweden

## **If I hold shares in ABB registered with Euroclear Sweden, will I receive shares in Accelleron?**

No. To ensure that all Euroclear Holders can participate in the spin-off distribution, Accelleron shares will be distributed to such shareholders in the form of Accelleron SDRs. See "Shareholders whose ABB shares are registered with Euroclear Sweden", p. 25.

Accelleron SDRs cannot be traded on the Stockholm Stock Exchange, SIX Swiss Exchange or any other stock exchange or marketplace. Accelleron SDR holders, who want to and can own Accelleron shares after the spin-off distribution will be able to subsequently convert their Accelleron SDRs to Accelleron shares that can be traded on SIX Swiss Exchange (see "How can I convert my Accelleron SDRs to Accelleron shares?").

## **Why will Accelleron not be listed on the Stockholm Stock Exchange?**

It is at present not legally possible for a Swiss company to dual list its shares on a stock exchange within the EU. In addition, it is nowadays possible for you as a private person, through a qualifying account (a custody account, investment savings account or an endowment insurance), to own and trade foreign shares on, for instance, SIX Swiss Exchange in the same way as Swedish shares on the Stockholm Stock Exchange. If after the distribution you convert your Accelleron SDRs to Accelleron shares, you will be able to trade your Accelleron shares on SIX Swiss Exchange.

## **Why will I receive Accelleron SDRs that cannot be traded on the Stockholm Stock Exchange?**

For technical reasons, ABB must distribute securities that can be registered with Euroclear Sweden, which is why ABB will distribute Accelleron SDRs. Those Accelleron shares can be converted to Accelleron shares for trading on SIX Swiss Exchange (see "How can I convert my Accelleron SDRs to Accelleron shares?").

## **How can I convert my Accelleron SDRs to Accelleron shares?**

If, after the spin-off distribution, you own Accelleron SDRs, you will be able to convert these to Accelleron shares if you transfer your SDRs to a qualifying account (a custody account, investment savings account or an endowment insurance). The Custodian will not charge any fees for such conversion during a period of approximately four weeks following the spin-off distribution (custodians or nominees might charge fees). Should you wish to convert your Accelleron SDRs into Accelleron shares following that period, you would need to convert the Accelleron SDRs at your own expense. Further information on how to request conversion of SDRs into Accelleron shares will be available on [www.acceleron-industries.com/SDR](http://www.acceleron-industries.com/SDR).

## **How do I know what type of account I have my shares in?**

Contact your bank, stock broker or online broker where you have your shares for information on your type of account and whether Accelleron shares can be held in that account.

## **What is the last day to buy ABB shares and receive Accelleron SDRs?**

Record holders of ABB shares registered with Euroclear Sweden as of the record date in Euroclear Sweden on October 4, 2022, will be entitled to receive Accelleron SDRs. This means that the last day of trading ABB shares including the entitlement to receive Accelleron SDRs will be on September 30, 2022.

## **When will I receive my Accelleron SDRs?**

The Accelleron SDRs will be booked on your account automatically after the record date, on or about October 6, 2022. Please note that only whole Accelleron SDRs can be delivered and that you therefore may receive cash instead of Accelleron SDRs in respect of some or all of your ABB shares. See "Treatment of fractional SDRs", p. 26.

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**How will I receive future dividends and other distributions from Accelleron?**

An Accelleron SDR holder will be entitled to participate in dividends ratably on a per SDR basis in the same manner a holder of Accelleron shares would be, although cash dividends will be converted into SEK.

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**How will I be able to vote at future shareholders' meetings in Accelleron?**

Accelleron will arrange with the Custodian for holders of Accelleron SDRs to be able to exercise certain rights with respect to Accelleron as if they were ordinary shareholders. See "Rights associated with Accelleron SDRs", p. 27.

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**How long will I be able to hold SDRs?**

The SDR program will be available for a limited period of time only. Further information will be provided on [www.acceleron-industries.com/SDR](http://www.acceleron-industries.com/SDR).







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