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ZURICH, SWITZERLAND, MAY 24, 2023

# NYSE delisting FAQ

## **Why has ABB delisted its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE)?**

ABB has a strong balance sheet and good capital markets access to facilitate both organic and inorganic growth, while also returning cash to shareholders. Furthermore, investor access to international equity markets has significantly changed in recent times with digital trading on multiple platforms providing many new possibilities to investors. Consequently, the need to be listed on several equity capital markets has decreased. ABB expects that reducing the number of listings will support internal simplification and efficiency while the company remains fully committed to an open and frequent dialogue with US investors, as well as maintaining the highest standards of corporate governance and transparent financial reporting.

## **What is the timeline for delisting and deregistration?**

ABB has notified the NYSE of its intent to delist. ABB intends to file a Form 25 with the US Securities and Exchange Commission (SEC) on or around May 12, 2023, to delist its ADRs and its underlying shares from the NYSE. Such delisting will be effective ten days after the filing of ABB's Form 25. The last trading day of the ADRs on the NYSE was May 22, 2023, and the delisting became effective on May 23, 2023.

After the delisting becomes effective and once ABB satisfies the conditions for deregistration, ABB intends to file a Form 15F with the SEC to deregister the ADRs and to terminate its reporting obligations under the US Securities Exchange Act of 1934 (Exchange Act).

In order for ABB to deregister its ADRs and its underlying shares under the Exchange Act, the Average Daily Trading Volume (ADTV) of ABB's ADRs in the US for the preceding 12 months must be less than 5% of the worldwide ADTV of ABB's shares over the same period. It is difficult to estimate, if at all, the timing for when ABB will satisfy the ADTV condition.

If/when the ADTV falls below the 5% threshold and ABB files a Form 15F with the SEC, ABB's reporting obligations under the Exchange Act will be suspended immediately upon filing the Form 15F. The deregistration and termination of the reporting obligations of ABB under the Exchange Act would be effective 90 days after filing of the Form 15F if there are no objections from the SEC.

At the end of March 2023, just before the announcement of intent to de-list, the ADTV was about 13%.

## **I am an ADR holder, what happens to my Level II listed ADR?**

On the day of the delisting, May 23, 2023, all ABB's Level II sponsored ADRs were automatically converted to sponsored non-listed Level I ADRs. The new Level I ADRs were assigned a new ticker (ABBNY) upon delisting and are now traded over-the-counter (OTC).

**I am an ADR holder, what are my options?**

The sponsored Level I ADR program will give existing ADR holders the ability to stay invested in ABB. Level I ADR holders may (i) sell their ADRs in over-the-counter trading following delisting; or (ii) surrender their ADRs to Citibank in exchange for the underlying shares.

**Does delisting from the NYSE impact the voting and dividend rights of ADR holders?**

The delisting does not impact voting and dividend rights. ADR holders will continue to have the right to vote and receive dividends (if any) in U.S. dollars.

**As an ADR holder, will I incur any costs solely because of the delisting?**

The conversion from a sponsored Level II to a sponsored Level I ADR program was completed at no cost to ADR holders. Should you wish to surrender your ADRs at any point, standard cancellation fees may apply.

**As an ADR holder, will I incur any tax consequences because of the delisting?**

There will be no tax consequences due to the delisting. Standard tax consequences apply when selling the ADRs.

**What are the tax consequences if I sell my ADRs and hold ABB registered shares instead?**

There might be adverse tax consequences for US shareholders as refund of the Swiss Withholding taxes on dividends could take 12-18 months instead of 1 month currently.

**Is ABB becoming less committed to the US market?**

ABB remains fully committed to serve the US market with its leading, sustainable and resource-efficient solutions for electrification and automation. The US is ABB's largest market representing nearly a quarter of Group revenues and since 2010, ABB has invested a combined \$14 billion in the US with acquisitions, plant expansions, operational improvements, state-of-the-art equipment, products, and people. With approx. 20,000 employees in more than 40 manufacturing and distribution facilities, ABB is investing, growing, and serving across America through industries that create jobs, encourage innovation, and achieve a more productive, sustainable future.

As announced on April 4, 2023, ABB is investing more than \$170 million in the US and creating highly skilled jobs in manufacturing, innovation and distribution operations: ABB invests \$170 million in the US.

**How does deregistration impact ABB's reporting obligations – is ABB's financial reporting becoming less transparent?**

Following the delisting, ABB intends to apply for deregistration of the ADRs and the underlying shares with the SEC and for termination of its equity reporting obligations under the Exchange Act. To do so the 12-month US ADTV in ABB ADRs must fall to less than 5 percent worldwide.

ABB remains fully committed to an open and frequent dialog with US investors, as well as maintaining the highest standards of corporate governance and transparent financial reporting.

**What is the trading volume of ABB's ADRs in the US?**

At the end of March 2023, just before the announcement of intent to delist, status was:

- 12-month US Average Daily Trading Volume (ADTV) of 13%

**What happens if the US ADTV does not fall below 5 percent?**

ABB would not be allowed to apply for deregistration with the SEC and for termination of its reporting obligations under the Exchange Act.

**How many ADRs does ABB currently have outstanding?**

As of the end of March 2023, ABB had approximately 130 million outstanding ADRs. This represents approximately 6.6% of ABB's total issued shares 1,964,745,075.

**What happens to ABB's US bonds that are currently registered with the SEC?**

ABB has two outstanding US SEC registered bonds maturing in 2028 and 2042. The NYSE delisting has no immediate impact on those bonds.

If and when, the ADRs are deregistered, ABB also intends to deregister those bonds. Please note that specific deregistration criteria apply for debt securities (fewer than 300 registered holders).

**Is ABB planning to delist from the Nasdaq Stockholm as a next step?**

The company's shares will remain listed on the SIX Swiss Exchange (SIX) and the Nasdaq Stockholm due to the company's heritage.

**What's the difference between an ADR and ADS?**

An ADR is a certificate that evidences an ownership interest in an ADS (American Depositary Share), which in turn represent an interest in ABB's registered shares. While technically it is the ADS which is listed, the terms are often used interchangeably by market participants.

**Help line for any trading related information**

If you hold your ADSs through a custodian, broker or other agent, you should contact them directly for any trading related enquiries. If you are a registered ADS holder, you can contact the Citibank Shareholder Services at 1-877-CITI-ADR.

**Disclaimer**

This document includes forward-looking information and statements that are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions and the economic conditions of the regions and industries that are major markets for ABB. These expectations, estimates and projections are generally identifiable by statements containing words such as "intends," "anticipates," "expects," "estimates," "plans," "targets" or similar expressions. However, there are many risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from such forward-looking information and statements and which could affect our ability to achieve any or all of our stated targets. Some important factors that could cause such differences include business risks associated with the volatile global economic environment and political conditions, costs associated with compliance activities, market acceptance of new products and services, changes in governmental regulations and currency exchange rates and such other factors as may be discussed from time to time in ABB Ltd's filings with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 20-F. Although ABB Ltd believes that its expectations reflected in any such forward looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.