



Buyback of own shares for the purpose of a capital reduction Trading on a second trading line on SIX Swiss Exchange

ABB Ltd, Zurich

On 25 March 2021, the Board of Directors of ABB Ltd, Affolternstrasse 44, 8050 Zurich ("ABB") decided to repurchase its registered shares for a maximum amount of USD 4.3 billion for the purpose of a capital reduction.

The Board of Directors of ABB intends to propose to future Annual General Meetings capital reductions through the cancellation of the registered shares repurchased on the second trading line.

By way of illustration only, the repurchase volume of a maximum of USD 4.3 billion, based on the closing price of ABB's registered shares on 6 April 2021 of CHF 29.25 and a USD/CHF exchange rate of 0.93, corresponds to up to 136.7 million registered shares or up to 6.3 % of the current share capital and voting rights of ABB.

The share buyback program was exempted from the provisions on public takeover offers provided for in section 6.1 of the Circular no. 1 of the Swiss Takeover Board dated 27 June 2013 (status as of 1 January 2016) and refers to a maximum of 205,314,826 registered shares, equivalent to a maximum of 9.47 % of the share capital currently registered in the commercial register (the share capital currently registered in the commercial register amounts to CHF 260,177,791.68, divided into 2,168,148,264 registered shares, each with a nominal value of CHF 0.12).

The registered shares of ABB are listed under the International Reporting Standard of SIX Swiss Exchange Ltd. The share buyback program does not cover the registered shares listed on NASDAQ OMX Stockholm or the ADSs of ABB listed on the New York Stock Exchange.

Trading on a second trading line on SIX Swiss Exchange Ltd

In order to repurchase shares for cancellation purposes, a second trading line for ABB registered shares has been established on SIX Swiss Exchange Ltd. Only ABB may purchase shares on this second trading line (via the bank mandated to execute the share repurchase program), thereby acquiring its own shares for the purpose of a subsequent capital reduction.

Ordinary trading in ABB registered shares under securities number 1 222 171 will not be affected by this second trading line and will continue as usual on the ordinary trading line. An ABB shareholder wanting to sell shares therefore has the choice to either sell ABB registered shares on the ordinary trading line or to sell them to ABB on the second trading line.

ABB is at no time obliged to buy its registered shares offered on the second trading line and will act as a buyer depending on market conditions and strategic opportunities. ABB reserves the right to terminate the share buyback program early.

Sales of shares on the second trading line will be subject to Swiss federal withholding tax at a rate of 35 % on the difference between the repurchase price of the ABB registered shares and their nominal value. This withholding tax will be deducted from the repurchase price ("net price").

Repurchase price

The repurchase prices and the prices of the ABB registered shares traded on the second trading line are based on the prices of the ABB registered shares on the ordinary trading line.

Payment of net price and delivery of securities

Transactions on the second trading line constitute regular stock market transactions. Hence, the payment of the net price (repurchase price less withholding tax) and delivery of the shares occur, as customary, on the second trading day after the transaction date.

Duration of the share buyback program

The buyback program will start on 9 April 2021 and end on 23 March 2022 at the latest.

Duty to trade on the Exchange

In accordance with the rules of SIX Swiss Exchange Ltd, off-exchange transactions are not permitted for share repurchases on a second trading line.

Taxes and duties

With respect to federal withholding tax as well as direct taxes, the repurchase of own shares for the purpose of capital reduction is treated as a partial liquidation of the company engaged in the repurchase. The implications for shareholders selling their shares on the second trading line are outlined below:

1. Federal withholding tax

Swiss federal withholding tax amounts to 35 % of the difference between the repurchase price of the shares and their nominal value. The company engaged in the repurchase will deduct via the mandated bank this tax from the repurchase price for payment to the Federal Tax Administration.

Shareholders domiciled in Switzerland are entitled to a reimbursement of the withholding tax provided they are the beneficial owners of the shares at the time those are surrendered and provided that there is no intention to avoid taxes (art. 21 of the Swiss Withholding Tax Law). Shareholders domiciled outside Switzerland may reclaim the tax in accordance with any applicable double taxation treaties.

2. Direct taxes

The following applies to the levying of direct federal income tax. Cantonal and municipal taxation procedures are, as a rule, the same as for federal tax.

a. Shares held as private assets:

For shares repurchased by the company, the difference between the repurchase price and the nominal value of the shares constitutes taxable income (nominal value principle).

b. Shares held as corporate assets:

For shares repurchased by the company, the difference between the repurchase price and the book value of the shares constitutes taxable profits (book value principle).

Shareholders domiciled outside Switzerland will be taxed in accordance with the laws applicable in their country of domicile.

3. Fees and duties

The repurchase of own shares for the purpose of capital reduction does not attract stamp duty. However, the SIX Swiss Exchange Ltd fee will apply.

Maximum buyback volume per day

The maximum daily repurchase volume in accordance with applicable regulations will be shown on ABB's website at:

<https://global.abb/group/en/investors/investor-and-shareholder-resources>

Disclosure of buyback transactions

ABB will provide regular updates on the status of the share repurchase program on its website:

<https://global.abb/group/en/investors/investor-and-shareholder-resources>

Non-public information

ABB confirms that currently it does not have any non-public information that is of relevance to the share price pursuant to the ad-hoc publicity regulations of SIX Swiss Exchange Ltd and that must be published.

Own shares

On 6 April 2021, ABB directly and indirectly held 143,988,616 registered shares corresponding to 6.64 % of the share capital and the voting rights currently registered in the commercial register. Of these, 128,620,589 registered shares were repurchased under the share buyback program 2020-2021. The Annual General Meeting on 25 March 2021 resolved a capital reduction by cancellation of 115,000,000 registered shares.

Shareholders holding more than 3 % of the voting rights

According to the disclosure notifications, the following shareholders hold 3 % or more of the voting rights (calculation basis: Share capital currently registered in the commercial register):

	Date	Number of registered shares	Capital and voting rights
Investor AB	31 December 2020	265,385,142	12.24 %
The Capital Group Companies, Inc.	16 March 2021	109,495,398	5.05 %
Cevian Capital II GP Limited	3 August 2020	105,988,662	4.89 %
BlackRock, Inc.	31 August 2017	72,900,737	3.36 %

Source: ABB annual report 2020 and SIX Exchange Regulation (for the holding of The Capital Group Companies, Inc.)

ABB does not have any knowledge of the intentions of these shareholders with respect to the sale of registered shares under this share buyback program.

Mandated bank

Credit Suisse AG will, on behalf of ABB, be the sole stock exchange member to offer bid prices for ABB registered shares on the second trading line.

Delegation agreement

ABB and Credit Suisse AG have entered into a delegation agreement in accordance with article 124(2)(a) and (3) of the Swiss Financial Market Infrastructure Ordinance (FMIO), under which Credit Suisse AG will independently carry out repurchases according to pre-defined parameters. ABB is entitled to terminate the delegation agreement at any time without citing its reasons or to amend it in accordance with article 124(3) of the FMIO and in accordance with other applicable rules.

This notice does not constitute a prospectus as defined in the Swiss Financial Services Act (FinSA). This offer is not made in the United States of America and/or to U.S. persons and may be accepted only by Non-U.S. persons and outside the United States of America. Offering materials with respect to this offer must not be distributed in or sent to the United States of America and must not be used for the purpose of solicitation of an offer to purchase or sell any securities in the United States of America.

ABB Ltd	Securities No.	ISIN	Ticker symbol
Registered shares with a nominal value of CHF 0.12 each	1 222 171	CH001 222 171 6	ABBN
Registered shares with a nominal value of CHF 0.12 each (share buyback, second trading line)	35 767 961	CH035 767 961 9	ABBNE

Date: 8 April 2021

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