

Castle Private Equity AG, Freienbach

Buyback of own registered shares at a fixed price for the purpose of a capital reduction

The General Meeting of Castle Private Equity AG (with its registered office in Freienbach), Schützenstrasse 6, 8808 Pfäffikon SZ, of 14 May 2018 authorised the Board of Directors to buy back 4,343,621 registered shares for the purpose of a capital reduction as part of a share buyback programme via a fixed price. On that basis, the Board of Directors of Castle Private Equity AG decided on 29 October 2018 to buy back a maximum of 4,343,621 registered shares at a fixed price (24.10% of the capital and the voting rights of the share capital currently registered in the commercial register) (the “share buyback programme”). At the next annual general meeting, the Board of Directors of Castle Private Equity AG will propose a capital reduction.

The share capital of Castle Private Equity AG currently registered in the commercial register amounts to CHF 901,124.75 and is divided into 18,022,495 registered shares with a nominal value of CHF 0.05 each.

The share buyback programme is open for acceptance from 13 November 2018 until 27 November 2018, 11pm CET. If the number of tendered registered shares exceeds the number of registered shares to be bought back in the course of the share buyback programme, Castle Private Equity AG will reduce the tendered declarations pro rata. During the execution of the share buyback programme, the current share buyback programme via a second trading line will be suspended.

The share buyback programme has been exempted by the Takeover Commission, by order of 24 October 2018, from having to comply with the provisions on public purchase offers.

Buyback price

CHF 17.50 per registered share Castle Private Equity AG, subject to the deduction of the Swiss federal withholding tax of 35% on the difference between the buyback price and the nominal value of the registered share in Castle Private Equity AG, i.e. CHF 11.3925 net per registered share Castle Private Equity AG (the “net buyback price”).

Duration of the share buyback

13 November 2018 until 27 November 2018, 11pm CET.

Tender

Shareholders who participate in the share buyback programme are requested to proceed according to the instructions of their custodian bank. Tendered registered shares will be blocked by the custodian bank and cannot longer be traded.

Result of the share buyback

Castle Private Equity AG will announce the results of the share buyback programme, including a possible reduction of acceptance declarations, on 27 November 2018 by means of a media announcement and publication on the website of Castle Private Equity AG (www.castlepe.com/en/investor-relations).

Any sales of own shares and purchases during the share buyback programme which are made outside the share buyback programme will also be published on the web address mentioned above.

Payment of the net buyback price and delivery

Payment of the net buyback price against delivery of the corresponding number of registered shares will take place with value date 30 November 2018.

Own shares

As of 25 October 2018, Castle Private Equity AG held 1,658,681 registered shares (9.20% of the capital and voting rights), which have been bought back for the purpose of a capital reduction.

Shareholders with more than 3% of voting rights

In accordance with the announcements published up to 25 October 2018, the following beneficial owners held more than 3% of the capital and voting rights of Castle Private Equity AG:

Lansel Luxembourg S.à.r.l., Luxembourg, Vintage VI Mgr Hlds, George Town, Grand Cayman, Cayman Islands, Ubar Investment Holdings Limited, Saint Helier, Jersey Channel Islands (indirect holder: The Goldman Sachs Group, Wilmington, USA)
24.59% of the capital and voting rights

Berlin-AI Fund SCS, SICAV-FIS, Luxembourg
11.10% of the capital and voting rights

Deka-StBV-NW-AI II/IFM-Invest, Luxembourg
(indirect holder: Deka International S.A., Luxembourg)
6.51% of the capital and voting rights

LGT Group Foundation, Liechtenstein
5.51% of the capital and voting rights

Personalvorsorgestiftung der LGT Gruppe, Schweiz und Liechtenstein
5.42% of the capital and voting rights

HAEK Fund (indirect holder: WARBURG INVEST LUXEMBOURG S.A., Luxembourg)
3.08% of the capital and voting rights

The shareholder group for the registered shares held indirectly through The Goldman Sachs Group, Inc., Wilmington, USA, has notified Castle Private Equity AG that it is not seeking a change of control pursuant to margin no. 10 of TOB Circular no. 1 under the ongoing share buyback programme via a second trading line and the present buyback offer, and has undertaken to tender at least 2,000,000 registered shares to Castle Private Equity AG.

Personalvorsorgestiftung der LGT Gruppe Schweiz und Liechtenstein have undertaken to tender 498,112 and 783,312 registered shares to Castle Private Equity AG under the share buyback programme.

Non-public information

Castle Private Equity AG confirms that it is not in possession of any non-public information that may have a material influence on any shareholders' decisions.

Decision of the Takeover Board

The Takeover Board has issued the following decision pursuant to section 6.2 of TOB Circular no. 1 dated 27 June 2013 (status as of 1 January 2016):

- The proposed public buyback programme at a fixed price by Castle Private Equity AG in order to decrease its capital by cancelling the repurchased registered shares shall be exempted from the requirement to apply the provisions governing public purchase offers up to a maximum of 4,343,621 registered shares, corresponding to around 24.10% of the share capital and voting rights.
- This exemption shall be subject to Castle Private Equity AG providing the Takeover Board with binding tender commitments from the major shareholders prior to publication of the buyback advertisement, to ensure that
 - a) the intended public buyback programme and the cancellation of the repurchased shares will not result in a significant change of control, in particular an assurance by The Goldman Sachs Group, Inc. that it will hold less than 33 1/3% of the share capital and voting rights in Castle Private Equity AG upon completion of the intended buyback program, and that
 - b) the intended public buyback programme and the cancellation of the repurchased shares will not result in any (or any material) reduction of the freely tradable portion.
- The present decision will be published on the website of the Swiss Takeover Board after publication of the buyback advertisement by Castle Private Equity AG.
- The fee payable by Castle Private Equity AG is CHF 25,000.

Taxes

The buyback of registered shares Castle Private Equity AG for the purpose of a capital reduction is being treated as a partial liquidation of Castle Private Equity AG.

This essentially has the following tax consequences with respect to Swiss withholding tax, direct federal tax for persons with unlimited tax liability in Switzerland and Swiss stamp duty tax:

1. Swiss withholding tax

Castle Private Equity AG is obliged to deduct Swiss withholding tax at a rate of 35% on the difference between the buyback price and the nominal value of the registered shares Castle Private Equity AG in favour of the Federal Tax Administration.

Persons resident in Switzerland are entitled to reclaim the withholding tax if they are beneficial owners of the registered shares Castle Private Equity AG at the time of the redemption (Art. 21 Abs. 1 lit. a Federal Act on Withholding Tax). This does not apply to cases of tax avoidance according to the practice of the Federal Tax Administration. Persons domiciled abroad may reclaim the withholding tax in accordance with any double taxation agreements. However, cases of abusive use of double taxation treaties according to Swiss court and administrative practice remain reserved.

2. Direct taxes

2.1 For persons with unlimited tax liability in Switzerland

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

a) Registered shares Castle Private Equity AG held in private assets:

The sale of registered shares Castle Private Equity AG to the issuer results in taxable income in the amount of the difference between the buyback price and the nominal value of the registered shares Castle Private Equity AG (nominal value principle).

b) Registered shares Castle Private Equity AG held in business assets:

The positive difference between the buyback price and the book value of registered shares Castle Private Equity AG arising from sale to the issuer constitutes taxable profit (book value principle). Corporations and cooperatives may claim participation reduction under certain circumstances.

2.2 For persons with unlimited tax liability outside Switzerland

Shareholders resident outside Switzerland should consult the corresponding local provisions with respect to tax consequences.

3. Duties and charges

The buyback of own shares for the purposes of capital reduction is exempt from stamp duty. However, a fee may be charged by SIX Swiss Exchange.

The tax ruling obtained and in particular the disclosures under 2 above are of a general nature and reflect the tax treatment for shareholders domiciled in Switzerland. As Castle Private Equity AG does not have information about the specific situation of individual investors, shareholders are advised to clarify their specific situation with their own legal, financial or tax adviser.

Sales restrictions

In particular, the United States/US persons, the EEA and the United Kingdom.

The registered shares of Castle Private Equity AG will not be offered for public sale outside Switzerland, and they may only be offered, sold, purchased or delivered, whether directly or indirectly, in, to or from countries other than Switzerland in accordance with the respectively applicable laws and regulations.

Applicable law and place of jurisdiction

Swiss law. The exclusive place of jurisdiction is Zurich.

Mandated bank

Zürcher Kantonalbank

Swiss security no. / ISIN / ticker symbol

Registered shares of Castle Private Equity AG
4.885.474 / CH0048854746 / CPEN

Information about the right to file an objection

A shareholder providing evidence of holding at least 3 percent of the voting rights in Castle Private Equity AG, irrespective of whether they are exercisable (qualified shareholder, Art. 56 TOO), who has yet to participate in the proceedings may file an objection against the decision. The objection must be filed with the Takeover Board within five trading days of the publication of the decision. The objection must contain a formal request and a summary of the legal grounds, as well as proof of the holding in accordance with Art. 56 para. 3 and 4 TOO (Art. 58 para. 3 TOO).

Please note

This notification does not constitute an issue prospectus within the meaning of Art. 652a and Art. 1156 of the Swiss Code of Obligations.

This is an informal translation of the German language original. In case of conflict, the German version shall prevail.