

Questions and Answers on the Planned Reverse Share Split

Transaction background

What is a reverse share split?

In a reverse share split, shares are merged (in contrast to a share split, in which shares are divided). In our case, 200 existing shares will be merged into one new share.

As an existing shareholder, do I have to do anything to receive the new (merged) shares?

No. Your custodian bank will automatically convert the existing Swiss Steel Holding Ltd. shares into new (merged) Swiss Steel Holding Ltd. shares at a ratio of 200:1. This is subject to the approval of the reverse share split by the Annual General Meeting.

Why does Swiss Steel Holding Ltd. want to execute a reverse share split?

On 25 April 2024, Swiss Steel Holding Ltd. has completed its capital increase in the amount of EUR 300,000,000.00 to strengthen the capital and liquidity and reduce the indebtedness of the company. Accordingly, the number of outstanding shares has increased significantly and the share price is currently less than CHF 0.10 per share. As a result, our shares suffer from a negative perception, heightened volatility (as small absolute price changes imply substantial percentage increases or decreases) and technical challenges as some trading platforms may not be able to accurately reflect a share price with more than two decimals. Through the reverse share split, the share price will reach a more common level, which will simplify the handling of the shares and increase transparency. Both factors are in the interest of Swiss Steel Holding Ltd. and its shareholders, which is why the board of directors recommends the implementation of the reverse share split to the Annual General Meeting.

When will the reverse share split be executed?

If the Annual General Meeting approves the reverse split, it is intended to execute the reverse split shortly thereafter. Shareholders will be informed of the exact timeline via press release and through their custodian bank (the date of execution hereinafter the "Cut-Off Date").

Technical aspects of the transaction

What is the exchange ratio for the reverse share split?

The exchange ratio is 200:1, i.e. 200 existing shares are exchanged for 1 new share.

As a shareholder, do I have to take any steps to receive the new shares?

No. The existing shares are automatically exchanged into new shares by the custodian bank without the shareholders having to do anything.

Can I trade my Swiss Steel Holding Ltd. shares at any time without interruption?

Yes. During the trading hours of the SIX Swiss Exchange, Swiss Steel Holding Ltd. shares can usually be traded without interruption. This also applies before, on and after the Cut-Off Date of the reverse share split.

How does the nominal value of a share change?

The nominal value of Swiss Steel Holding Ltd. shares will increase from CHF 0.08 per share before the reverse share split to CHF 16.00 per share after the reverse share split, with the ratio of existing shares to "new" shares being 200:1.

Will my voting rights change?

The percentage shares of our shareholders and thus the voting rights will not be affected by the reverse share split, apart from a possible minor rounding down as a result of the cash compensation for fractions (see below).

What are fractions?

The reverse share split of shares may result in fractions of new registered shares (the "Fractions"). This is the case if shareholders hold an amount of Swiss Steel Holding Ltd. shares that is not divisible by the ratio of the reverse share split or a multiple thereof. Fractions are rounded down and are paid for at the compensation price in cash (in CHF). The compensation price is financed by the sale of remaining shares. The basis for the compensation price is the price per share achieved through the sale. The rounding down is necessary for reasons of operational efficiency and transaction security.

Important: What can I do to avoid rounding down of fractions?

If your number of Swiss Steel Holding Ltd. shares is not divisible by 200, fractions will be rounded down by default and you will receive a compensation in cash for the fractions. If you prefer to avoid this outcome, you may adjust your shareholding upwards or downwards accordingly before the Cut-Off Date so that your number of Swiss Steel Holding Ltd. shares is divisible by 200 (in which case the usual costs and expenses, e.g. order fees, charged by your custodian bank, may apply).

What does a shareholder receive who holds a number of Swiss Steel Holding Ltd. shares divisible by 200?

Shareholders holding a number of existing shares exactly divisible by 200 shall receive 1 new share for every 200 existing shares held by them prior to the reverse share split.

Example: Before the reverse share split, shareholder A holds 1,000 existing shares. In the reverse share split, the existing shares are exchanged for 5 new shares. See illustration below (example A).

What compensation will shareholders receive who hold 199 or fewer shares?

Shareholders holding less than 200 existing shares will receive a cash compensation. They will no longer be shareholders of Swiss Steel Holding Ltd. after the reverse share split.

Example: Before the reverse share split, shareholder B held 199 existing shares in Swiss Steel Holding Ltd. During the reverse share split, shareholder B automatically receives a compensation from his custodian bank for the 199 shares previously held and is no longer a shareholder in Swiss Steel Holding Ltd. See illustration below (example B).

To ensure that you receive at least one new Swiss Steel Holding Ltd. share after the reverse share split, you must at least hold 200 shares in Swiss Steel Holding Ltd. If your current holding does not reach this number and you wish to remain a shareholder of Swiss Steel Holding Ltd., you must acquire the missing shares up to the number of 200 shares by the Cut-Off Date.

What does a shareholder receive who holds a number of shares greater than 200 but not divisible by 200?

Shareholdings greater than 200 but not divisible by 200 shall be rounded down to the nearest possible number divisible by 200. Shareholders shall receive one new share in exchange for every 200 existing shares previously held. For the remaining shares, the shareholders shall receive a compensation in cash (CHF).

Example: Shareholder C held 2,395 existing shares before the reverse share split. During the reverse share split, the shareholder receives 11 new shares and a compensation for the remaining 195 shares. See illustration below (example C).

How much is the fractional compensation (cash compensation per share)?

The fractional compensation will be financed by the sale of excess shares. The amount will be based on the market price of Swiss Steel Holding Ltd. shares at that time.

Will the reverse split affect all shareholders equally?

Yes. The reverse share split affects all shareholders equally and does not change the percentage ownership or the proportionate voting rights of the shareholders (apart from a possibly minor rounding down if the shareholding is not divisible by the reverse share split ratio).

What should I do if I have not received the new shares or the fractional compensation?

The custodian banks are instructed to carry out the reverse share split as described herein. Please contact your custodian bank directly if you have any queries.

I am registered in Swiss Steel Holding Ltd.'s share register. Do I have to re-register my shares after the reverse share split?

Yes. For technical reasons, all previous entries in the share register will be deleted. The new shares will be credited as unregistered shares. Shareholders must re-register in the share register after the reverse share split. In the Swiss market and with major Swiss banks, re-registration usually occurs automatically, depending on the agreement with your bank. However, we recommend that you contact your custodian bank directly to ensure re-registration.

What costs does a shareholder incur as a result of the implementation of the reverse share split?

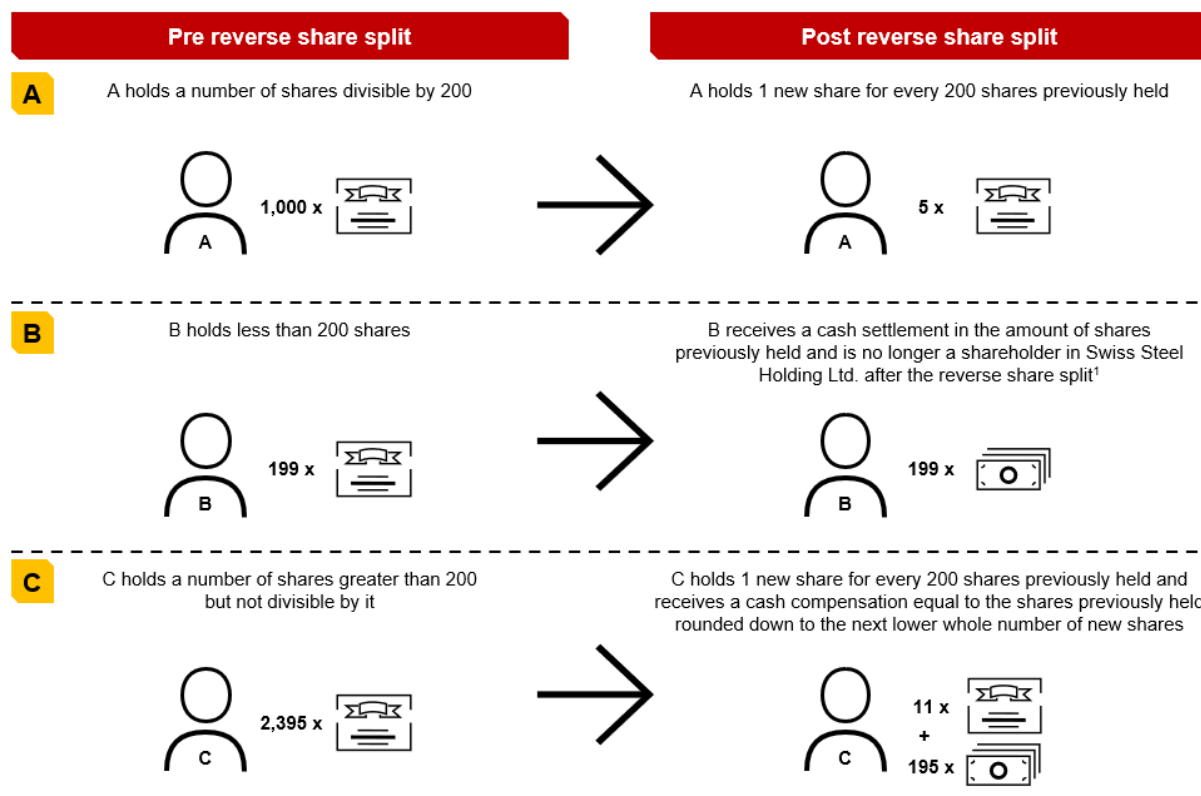
The custodian banks are instructed to carry out the reverse share split without charging any costs or expenses to our shareholders. Please contact your custodian bank directly if you have any queries. The Swiss federal stamp duty, if any, imposed on the reverse share split, will be borne by the company.

What are the tax consequences for shareholders?

We recommend all Swiss Steel Holding Ltd. shareholders and beneficial owners of Swiss Steel Holding Ltd. shares to consult a tax advisor regarding any Swiss tax effects and, where applicable, foreign tax effects of the reverse share split applicable to them.

Illustration of the reverse share split from a shareholder's point of view

Reverse share split ratio 200:1



¹ To ensure that you receive at least one new Swiss Steel Holding Ltd. share after the reverse share split, you must at least hold 200 shares in Swiss Steel Holding Ltd. If your current holding does not reach this number and you wish to remain a shareholder of Swiss Steel Holding Ltd., you must acquire the missing shares up to the number of 200 shares by the Cut-Off Date.