

Castle Private Equity AG, Freienbach

Buyback of own shares through the issuance of tradable put options for capital reduction

The share capital currently registered in the commercial register by Castle Private Equity AG (with its registered office in Freienbach), Schützenstrasse 6, 8808 Pfäffikon (Canton Schwyz), amounts to CHF 901,124.75 and is divided into 18,022,495 listed registered shares with a nominal value of CHF 0.05 each. At the Annual General Meeting of 14 May 2019, it was decided to reduce the share capital by CHF 337,998.65 to CHF 563,126.10 by cancellation of 6,759,973 registered shares. Implementation of this capital reduction will be entered in the commercial register upon closing of the period for the filing of claims.

Furthermore, the Annual General Meeting of 14 May 2019 authorised the Board of Directors of Castle Private Equity AG to buy back own shares up to a maximum of 10% of the share capital in order to a further capital reduction.

Based on the decision taken by the Board of Directors on 21 May 2019, Castle Private Equity AG is offering its shareholders the opportunity of tendering their registered shares for redemption by exercising put options; Castle Private Equity AG will buy back a maximum of 561,430 registered shares (amounting to a maximum of 3.12% of the capital and the voting rights of the share capital currently registered in the commercial register and a maximum of 4.98% of the capital and voting rights of the share capital registered in the commercial register after completion of the capital reduction) at a price of CHF 20.00 per registered share.

At the next Annual General Meeting, the Board of Directors of Castle Private Equity AG will propose a capital reduction by cancelling share capital in the amount of the buyback volume under this buyback programme.

Within the scope of the aforementioned authorisation from the Annual General Meeting of 14 May 2019, Castle Private Equity AG is considering launching a new buyback programme via a second trading line following the buyback programme through the issuance of tradable put options.

Further information on the buyback of own shares is available on the Internet site of Castle Private Equity AG (<https://castlepe.com/en/investor-relations#corporate-actions>). Any purchases and sales of own shares during the term of the buyback offer that are made outside the scope of the buyback offer will also be published on the aforementioned Internet site.

Issuer

Castle Private Equity AG, Schützenstrasse 6, 8808 Pfäffikon (Canton Schwyz)

Allocation

1 put option per registered share Castle Private Equity AG (excl. own shares).

Ex date

24 May 2019

Exercise ratio

20 put options entitle the holder to tender 1 registered share Castle Private Equity AG with a nominal value of CHF 0.05 at the exercise price.

Exercise price (buyback price)

CHF 20.00 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 13.0175 net per registered share Castle Private Equity AG (net buyback price).

Exercise time

12 June 2019, until 11.00 a.m. CET.

Any put options not exercised on time and the rights related to these options will expire without any compensation.

Option type

European

Payment / Delivery

Payment of the net buyback price against delivery of the corresponding number of registered shares Castle Private Equity AG and put options will take place on 13 June 2019.

Notification and procedure

Shareholders will be notified by their custodian bank, and the put options they receive will be automatically booked to their custody account. Put options must be exercised or sold in accordance with the instructions of the custodian bank.

Listing

Listing of the put options on SIX Swiss Exchange with effect from 24 May 2019 has been requested and approved. The put options will be traded from 24 May 2019 up to and including 7 June 2019.

Securitisation

Permanent global certificate. The holders of put options are not entitled to receive individual certificates.

Charges

Put options will be allocated free of charge.

Result of the share buyback

The result of the share buyback is set to be announced on 12 June 2019 in a media release.

Own shares

On 20 May 2019, Castle Private Equity AG held the following registered shares:

- 6,759,973 registered shares (37.51% of capital and voting rights), which will be cancelled, as mentioned above, upon closing of the period for the filing of claims; and
- 26,678 registered shares (0.15% of capital and voting rights), which have been bought back on a 2nd line for the purpose of a later capital reduction.

Shareholders with more than 3% of voting rights

In accordance with the announcements published on 20 May 2019, the following beneficial owners held more than 3% of the capital and voting rights of Castle Private Equity AG:

Berlin-AI Fund SCS, SICAV-FIS

11.1% of the capital and voting right

Deka-StBV-NW-AI II, Luxembourg (indirect holder: Deka International S.A., Luxembourg)

6.51% of the capital and voting right

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)

6.45% of the capital and voting right

Crown Alternative Strategies SPC (indirect holder: LGT Group Foundation, Vaduz, Liechtenstein)

5.33% of the capital and voting right

HAEK Fund (indirect holder: Warburg Invest Luxembourg S.A., Luxembourg)

3.08% of the capital and voting right

Castle Private Equity AG has no knowledge of the intentions of these shareholders regarding the sale of registered shares under this share buyback programme.

Non-public information

Castle Private Equity AG confirms that it does not have any undisclosed information which could significantly influence the decisions of shareholders.

Taxes

The buyback of registered shares Castle Private Equity AG by means of the issue of put options 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 redemption 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.

2. Direct federal tax

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) Put options and registered shares Castle Private Equity AG held in private assets:

Allocation and any proceeds from the sale of put options are not subject to direct federal tax.

The sale of registered shares Castle Private Equity AG to the issuer in relation with the exercise of put options results in taxable income in the amount of the difference between the redemption price and the nominal value of the registered shares Castle Private Equity AG (nominal value principle).

b) Put options and registered shares Castle Private Equity AG held in business assets:

The tax treatment of the receipt of put options depends on the accounting treatment. Capital gains from the sale of put options are subject to income tax.

The positive difference between the redemption 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. Fees and levies

The issuing and trading of put options are free of stamp duty. The buyback of own shares for the purposes of capital reduction is also 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 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.

Neither the put options nor the registered shares of Castle Private Equity AG will 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 Castle Private Equity AG

4.885.474 / CH0048854746 / CPEN

Put options on registered shares Castle Private Equity AG

47598.624 / CH0475986243 / CPENPO

Please note:

Under the listing regulations of SIX Swiss Exchange Ltd, the listing of put options is not subject to a prospectus requirement.

This notification does not constitute an issuing prospectus within the meaning of Article 652a and Article 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.