



Repurchase of own shares for the purpose of a capital reduction Trading on a separate line on SIX Swiss Exchange

Legal basis

On 26 January 2021, UBS Group AG, Bahnhofstrasse 45, 8001 Zurich ("**UBS** or the "**Company**"), with registered office in Zurich, announced its intention to repurchase up to a maximum of CHF 4 billion of its registered shares "**Share Repurchase**"). The Share Repurchase will start from February 2021 and may continue until the repurchase of shares in the maximum amount or for a maximum of three years. Based on the closing price of the UBS registered share on the SIX Swiss Exchange on 3 February 2021 this corresponds to some 299.2 million registered shares or around 7.75% of the registered share capital of UBS. No more than 10% of the registered share capital will be repurchased by UBS as part of the Share Repurchase.

In accordance with section 6.1 of the TOB circular no. 1: Buyback Programs of 27 June 2013 (as of 1 January 2016) (the "**Circular No.1**"), the Share Repurchase is exempt from the provisions on public takeover offers and relates to a maximum of 385,905,539 shares of UBS, equivalent to a maximum of 10% of the registered share capital of UBS as currently recorded in the Commercial Register in the total amount of CHF 385,905,539.50, divided into 3,859,055,395 registered shares, each with a par value of CHF 0.10.

The UBS shares for repurchase will be acquired on a separate trading line after deduction of Swiss federal withholding tax and will be canceled by means of a capital reduction, to be proposed at future annual general meetings.

Trading on a separate line on SIX Swiss Exchange

As part of the Share Repurchase program, a separate trading line for UBS registered shares will be set up in accordance with the International Reporting Standard of SIX Swiss Exchange. Only UBS can act as a buyer on this separate trading line (security number 59.628.096) and acquire its own registered shares via the bank that has been mandated with the Share Repurchase program. The trading of UBS registered shares on the ordinary trading line (security number 24.476.758) is not affected and will continue as normal. Any UBS shareholder who is willing to sell can choose to sell the registered share on the ordinary trading line or to offer it to UBS on the separate trading line.

UBS is not obliged to buy its own registered shares on the separate trading line at any time; it will act as a buyer according to market conditions. The conditions set out in the Circular No.1 will be observed.

The maximum repurchase volume per day in accordance with Article 123 (1) (c) FMIO, can be found on the UBS website at:

https://www.ubs.com/global/en/about_ubs/investor_relations/share_information/ubs_share_repurchase_program.html

Repurchase price

The repurchase prices, or the prices on the separate trading line are based on the prices for UBS registered shares traded on the ordinary trading lines.

Payment of the net price and delivery of the securities

Transactions on the separate trading line constitute regular stock exchange transactions. Hence, the net price (repurchase price less Swiss federal withholding tax) will be paid, and the registered shares delivered, as customary, on the second trading day after the transaction date.

Mandated bank

UBS has given UBS AG the mandate to execute this Share Repurchase. UBS AG will, as a sole member of the stock exchange, offer bid prices for registered shares on behalf of UBS on the separate trading line.

Delegation agreement

In accordance with Art. 124 (2) (a) and (3) FMIO, UBS and UBS AG have a delegation agreement, according to which UBS AG makes repurchases independently within the defined parameters. However, UBS may terminate this delegation agreement at any time without cause or modify the parameters in accordance with Art. 124 (3) FMIO.

Duration of the repurchase program

The separate trading line on the SIX Swiss Exchange will be opened on 8 February 2021 and is planned to remain open until 7 February 2024.

Duty to trade on the exchange

In accordance with the regulations of the SIX Swiss Exchange, off-exchange transactions are not permitted in the case of share repurchases on a separate trading line.

Disclosure of transactions

UBS will publish the transactions made as part of the Share Repurchase on the following website:
https://www.ubs.com/global/en/about_ubs/investor_relations/share_information/ubs_share_repurchase_program.html

Own holdings

As of 3 February 2021, UBS directly and indirectly held 315,095,957 of its own registered shares. This corresponds to 8.17% of voting rights and of the registered capital recorded in the Commercial Register.

Major shareholders

According to reports submitted to UBS or published on 3 February 2021, the following beneficial owners hold more than 3% of voting rights at UBS:

| | | |
|---|----------|------------------------------|
| - BlackRock, Inc., New York, NY (USA) | 4.70% *) | reported on 26 May 2020 |
| - Artisan Partners Limited Partnership, Milwaukee (USA) | 3.15% *) | reported on 18 November 2020 |
| - Massachusetts Financial Services Company, Boston (USA) | 3.02% *) | reported on 23 December 2020 |
| - Norges Bank (the Central Bank of Norway), Oslo (Norway) | 3.01% *) | reported on 24 July 2019 |

*) based on equity capital and voting rights at the time of the report

UBS has no information on the abovementioned shareholders' intentions with respect to the sale of registered shares as part of the Share Repurchase.

Information from UBS

In accordance with the applicable provisions, UBS confirms that it does not currently possess any non-public information that is classified as price-sensitive under the rules of SIX Swiss Exchange governing ad hoc publicity and therefore requires disclosure.

Taxes and deductions

A company's repurchase of its own registered shares with the aim of reducing capital is treated, for the purposes of both Swiss federal withholding tax and of direct taxes, as the partial liquidation of the company in question. Specifically, this has the following tax implications for the selling shareholders:

1. Withholding tax

Since 1 January 2020, in the event of a share repurchase, a company must use its capital contribution reserves, if available, to the same extent as its other reserves (50:50 rule). Accordingly, to the extent that the Swiss Federal Tax Administration confirms that capital contribution reserves are available, withholding tax is levied at a rate of 35% on up to half the difference between the repurchase price and the par value of the registered shares. The Company or its mandated bank shall deduct the tax from the repurchase price on behalf of the Swiss Federal Tax Administration.

Persons domiciled in Switzerland are entitled to a refund of the withholding tax provided they had equitable ownership of the shares at the time of redemption, have properly declared/recognized the income from the repurchase and no tax evasion has been committed (Art. 21 of the Swiss Withholding Tax Act). Persons domiciled outside Switzerland may reclaim part of the withholding tax subject to the provisions of any relevant double taxation agreement.

2. Direct taxes

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

a) *Privately held as private assets:*

In the case of a direct return of registered shares to the company, the difference between the repurchase price and the par value of the registered share constitutes taxable income.

b) *Registered shares held as business assets:*

In the case of a direct return of registered shares to the company, the difference between the repurchase price and the profit/income tax value of the registered share constitutes taxable income.

Shareholders domiciled outside Switzerland for tax purposes will pay tax in accordance with the laws of the country in which they are domiciled.

3. Fees and deductions

The repurchase of own shares for the purpose of a capital reduction is exempt from stamp duty for the selling shareholder. However, the SIX Swiss Exchange's fees still have to be paid.

Applicable law / place of jurisdiction

Swiss law / Zurich is the exclusive place of jurisdiction.

Security numbers, ISINs and ticker symbols

| | | | |
|---|-------------------|---------------------|---------------|
| Registered share of UBS Group AG (ordinary trading line) of CHF 0.10 par value | 24.476.758 | CH0244767585 | UBSG |
| Registered share of UBS Group AG (separate trading line) of CHF 0.10 par value | 59.628.096 | CH0596280963 | UBSGEE |

Place and date

Zurich, 5 February 2021

This advertisement is not an issuing prospectus in the sense of Art. 652a and 1156 of the Swiss Code of Obligations or a prospectus in the sense of Article 35 and seq. FinSA.

