



Compagnie Financière Tradition

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

Compagnie Financière Tradition SA, Lausanne

Compagnie Financière Tradition SA, Rue Philippe-François-de-Langallerie 11, 1003 Lausanne ("CFT") announced on 25 May 2023 a share buyback program of up to 300,000 bearer shares for the purpose of a capital reduction ("share buyback program"). The board of directors of CFT intends to cancel the bearer shares repurchased on the second trading line through capital reductions.

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) under the reporting procedure and refers to a maximum of 300,000 bearer shares, equivalent to a maximum of 3.91 % of the share capital currently registered in the commercial register (the share capital currently registered in the commercial register amounts to CHF 19,170,962.50, divided into 7,668,385 bearer shares, each with a nominal value of CHF 2.50).

The bearer shares of CFT are listed according to the International Reporting Standard of SIX Swiss Exchange.

Trading on a second trading line on SIX Swiss Exchange Ltd

For the share buyback program of bearer shares of CFT, a second trading line has been established on SIX Swiss Exchange Ltd. Only CFT may purchase bearer shares on this second trading line via the mandated bank mandated, thereby acquiring its own bearer shares for the purpose of a subsequent capital reduction. Ordinary trading in bearer shares of CFT under securities number 1 434 511 will not be affected by this second trading line and will continue as usual on the ordinary trading line. Shareholders wanting to sell shares therefore have the choice to either sell them on the ordinary trading line or to sell them to CFT on the second trading line for the purpose of a subsequent capital reduction.

CFT is at no time obliged to buy its bearer shares offered on the second trading line and will act as a buyer depending on market conditions. CFT 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 half of the difference between the repurchase price of bearer shares of CFT and their nominal value. This will be deducted from the repurchase price ("net price"). As of the date on which there are no longer any reserves from capital contributions confirmed by the Swiss Federal Tax Administration, the Swiss federal withholding tax of 35 % is deducted on the entire difference between the repurchase price of the bearer shares and their nominal value ("net price").

Repurchase price

The repurchase prices and the prices of the bearer shares of CFT traded on the second trading line are based on the prices of the bearer shares of CFT 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 the federal withholding tax, see "Taxes and duties", lit. 1 (Federal withholding tax) below) and delivery of the shares occur, as customary, on the second trading day after the transaction date.

Duration of the share buyback program

The share buyback program will start on 21 August 2023 and end on 29 May 2026 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 buybacks on a second trading line.

Taxes and duties

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

1. Federal withholding tax

The Swiss federal withholding tax of 35 % is levied on the amount of the difference between the repurchase price of the shares and their nominal value ("liquidation surplus"), which CFT does not book against reserves from capital contributions. Due to tax regulations, CFT is required to book at least half of the liquidation surplus against reserves from capital contributions ("minimum requirement"). CFT applies the minimum requirement, and, consequentially, half of the liquidation surplus is subject to federal withholding tax of 35 %. As soon as CFT no longer has any capital contribution reserves before the end of the share buyback program, the Swiss federal withholding tax of 35% will be levied on the entire liquidation surplus as of that date. Special cases remain reserved. The tax will be deducted from the repurchase price by the mandated bank by CFT and remitted by CFT 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. Federal Direct tax

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:* Income tax is levied on the portion of the liquidation surplus which CFT does not book against reserves from capital contributions (capital contribution principle), whereby the minimum requirement also applies to direct federal tax and is applied by CFT. As of the date on which there are no longer any reserves from capital contributions confirmed by the Swiss Federal Tax Administration, the entire liquidation surplus constitutes taxable income (nominal value principle). Decisive for the direct federal tax is the portion of the repurchase price which is subject to withholding tax according to the settlement advice.
- 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 buyback of own bearer shares on a second trading line for the purpose of capital reduction does not attract stamp duty. However, the SIX Swiss Exchange Ltd fees will apply.

Maximum buyback volume per day

The maximum daily buyback volume in accordance with article 123(1)(c) FMIO will be shown on CFT's website at: <https://www.tradition.com/investor-relations/share-buy-back.aspx>

Disclosure of buyback transactions

CFT will provide regular updates on the status of the share buyback program on its website at the following address: <https://www.tradition.com/investor-relations/share-buy-back.aspx>

Non-public information

CFT 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 and that must be published.

Own shares

On 16 August 2023, CFT directly and indirectly held 240,991 own bearer shares corresponding to 3.14 % of the share capital and the voting rights currently registered in the commercial register.

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 bearer shares	Capital and voting rights
VIEL & Cie, Paris, Frankreich (indirect)	31 December 2022	5,465,414	71.27 %
Michael Leibowitz, New Jersey, USA	31 December 2022	287,649	3.75 %

Source: Annual report 2022 of CFT

Mandated bank

Credit Suisse AG will, on behalf of CFT, be the sole stock exchange member to offer bid prices for CFT bearer shares on the second trading line as part of the share buyback program.

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.

Compagnie Financière Tradition SA	Securities No.	ISIN	Ticker symbol
Bearer shares with a nominal value of CHF 2.50 each	1 434 511	CH001 434 511 7	CFT
Bearer shares with a nominal value of CHF 2.50 each (share buyback, second trading line)	127 060 958	CH127 060 958 4	CFTE

Date: 18 August 2023

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