
Demerger Plan

[unofficial translation]

dated 27 May 2021

of

Sulzer AG (CHE-102.210.767)

(hereinafter **Sulzer**)

Neuwiesenstrasse 15

8401 Winterthur

regarding the spin-off of the Applicator Systems Division

and the incorporation of medmix AG, Zug

Table of Contents

Preamble.....	3
1. Companies Involved.....	3
1.1. Sulzer as Transferring Company.....	3
1.2. medmix AG as New Company	3
2. Inventory to be spun off.....	4
2.1. Demerger Inventory.....	4
2.2. Transfer, Changes, Ambiguities and Value Preservation	5
3. Incorporation, Allocation Ratio and Cash Settlement.....	5
3.1. Incorporation of medmix.....	5
3.2. Allocation Ratio.....	5
4. Reduction of Share Capital.....	6
5. Special Rights, Non-Voting Shares and Dividend Right Certificates	6
6. Terms of Exchange	6
7. Start of Dividend Entitlement.....	6
8. Effective Date of Transfer of Assets and Liabilities	7
9. Special Benefits	7
10. Employment Agreements.....	7
11. Protection of Creditors.....	7
12. Approval by the Board of Directors	7
13. Miscellaneous.....	8
13.1. Costs	8
13.2. Annexes.....	8
14. Jurisdiction and Applicable Law	8
Annex 1.2 – Articles of Association of medmix (Draft)	10
Annex 2 – Demerger Balance Sheet.....	11
Annex 2.1 – Demerger Inventory.....	14

Preamble

The board of directors of Sulzer has resolved to transfer the Applicator Systems Division of Sulzer to the yet to be incorporated medmix AG, Zug, by way of a symmetric spin-off in accordance with article 29(b) and article 31(2)(a) Swiss Merger Act (hereinafter **MA**) and hereby prepares this Demerger Plan pursuant to article 36 and article 37 MA.

1. Companies Involved

1.1. Sulzer as Transferring Company

The transferring company, Sulzer, is a Swiss stock corporation pursuant to article 620 et seqq. of the Swiss Code of Obligations (hereinafter **CO**), having its registered seat in Winterthur (CHE-102.210.767). The share capital of Sulzer amounts to CHF 342,623.70 and is divided into 34,262,370 fully paid-in registered shares with a nominal value of CHF 0.01 each. The registered shares are listed on the SIX Swiss Exchange Ltd in accordance with the International Reporting Standard.

1.2. medmix AG as New Company

In the course of the spin-off, a new Swiss stock corporation pursuant to article 620 et seqq. CO under the business name medmix AG having its registered seat in Zug (hereinafter **medmix**) shall be incorporated. The share capital of medmix will amount to CHF 342,623.70 and be divided into 34,262,370 fully paid-in registered shares with a nominal value of CHF 0.01 each. The registered shares of medmix shall be listed on SIX Swiss Exchange Ltd in accordance with the International Reporting Standard.

The articles of association of medmix will correspond to the draft attached as Annex 1.2 to this Demerger Plan.

The board of directors of medmix is expected to be composed of the following persons:

- Grégoire Poux-Guillaume, French citizen, in Zug, chairman of the board of directors
- Jill Ghim Ha Lee, citizen of Singapore, in Zug, member of the board of directors
- Marco Musetti, Italian citizen, in Zug, member of the board of directors.

Auditor of medmix will be KPMG Ltd, Zurich. The declaration of acceptance is available.

2. Inventory to be spun off

Based on the audited balance sheet of Sulzer as of 31 December 2020, which forms an integral part of this Demerger Plan as [Annex 2](#), assets and liabilities of the Applicator Systems Division to be spun off include assets in the amount of CHF 423,647,000 and liabilities in the amount of CHF 0. Thus, the net asset surplus amounts to CHF 423,647,000 and covers the amount of CHF 342,623.70 which must be paid in (*liberiert*).

On 25 May 2021, Sulzer (as borrower) entered into a loan agreement with Sulzer Capital B.V., a subsidiary of Sulzer (as lender), in the amount of CHF 80,000,000. The loan is due for payment to Sulzer on 30 June 2021. As part of the debt split between the companies, the unfulfilled part of the loan agreement with Sulzer Capital B.V., namely the repayment and interest payment obligations under the loan agreement, will be transferred to medmix in the course of the spin-off, while the loan proceeds will remain with Sulzer. The equity of medmix will therefore decrease by CHF 80,000,000 compared to the demerger balance sheet as at 1 January 2021 plus the interest accrued since 30 June 2021. Its liabilities will increase by the same amount.

Since the balance sheet date of 31 December 2020, the following transactions have also been carried out outside the operating business of Sulzer, which relate to the Applicator Systems Division to be spun off:

- Dividend distribution by Sulzer Mixpac AG to Sulzer in the amount of CHF 34,000,000, financed by a loan from Sulzer to Sulzer Mixpac AG in the amount of CHF 35,000,000;
- Dividend distribution of Sulzer Mixpac USA Inc. to Sulzer US Holding Inc., a direct subsidiary of Sulzer, in the amount of USD 8,000,000; and
- Acquisition of Sulzer Mixpac (UK) Ltd. from Sulzer (UK) Holding Ltd. by Sulzer Mixpac AG for GBP 13,959,000, financed by a loan from Sulzer to Sulzer Mixpac AG in the amount of CHF 17,880,960.

These transactions have a reducing effect on the consolidated equity of the new medmix Group in the corresponding amount of CHF 34,000,000 or the equivalent in Swiss Francs of USD 8,000,000 and GBP 13,959,000.

2.1. Demerger Inventory

Assets and liabilities to be spun off are listed in the demerger inventory, which forms an integral part of this Demerger Plan as [Annex 2.1](#). The inventory of the assets and liabilities remaining with Sulzer is also shown in the inventory list in [Annex 2.1](#).

The contractual relationships listed in Annex 2.1 are transferred by operation of law to medmix upon completion of the spin-off.

Agreements which fully or partially relate to the Applicator Systems Division but are not listed in Annex 2.1 shall continue to be performed by Sulzer on a fiduciary basis on behalf of medmix and without any changes, but on the account and for the benefit and risk of medmix as instructed by medmix.

2.2. Transfer, Changes, Ambiguities and Value Preservation

Assets and liabilities to be spun off are transferred to medmix by partial universal succession (*partielle Universalsukzession*).

If it appears that there are ambiguities regarding the transferred assets, liabilities, receivables, debts, rights, obligations or contractual relationships which oppose the transfer pursuant to article 52 MA, the companies involved are obliged to submit and/or obtain all declarations and signatures required for the transfer of the assets, liabilities, receivables, debts, rights, obligations or contractual relationships affected thereby by way of individual succession (singular succession).

If certain contractual relationships are not transferred by operation of law to medmix but are subject to the consent of a third party, Sulzer shall take all reasonable efforts to obtain the respective consent. Otherwise, Sulzer shall continue to perform such agreement on a fiduciary basis on behalf of medmix and without any changes, but on the account and for the benefit and risk of medmix as instructed by medmix.

3. Incorporation, Allocation Ratio and Cash Settlement

3.1. Incorporation of medmix

medmix will be incorporated with a share capital of CHF 342,623.70 divided into 34,262,370 registered shares with a nominal value of CHF 0.01 each. These registered shares are fully paid-in by the transfer of the asset surplus pursuant to section 2 of this Demerger Plan.

3.2. Allocation Ratio

The demerger is structured as a symmetric spin-off by way of incorporation of a new company, in which the ownership interest of each shareholder in Sulzer corresponds to the ownership interest of such shareholder in the yet to be incorporated medmix (ratio 1:1). There is no cash settlement.

Upon incorporation of medmix a total of 34,262,370 registered shares with a nominal value of CHF 0.01 each and thus a total of CHF 342,623.70 will be issued to the shareholders of Sulzer.

4. Reduction of Share Capital

Since the nominal value of the registered shares of Sulzer amounts to CHF 0.01 each, no further share split of such registered shares or a reduction of the nominal value can be carried out and since the number of registered shares in medmix received by each shareholder of Sulzer will correspond to the number of registered shares such shareholder holds in Sulzer, the currently existing capital contribution reserves of Sulzer will be reduced in the amount of CHF 342,623.70 and converted into nominal capital of medmix in the course of the spin-off. The share capital of Sulzer will not be decreased.

5. Special Rights, Non-Voting Shares and Dividend Right Certificates

Neither Sulzer nor medmix shall grant any special rights, non-voting shares or dividend right certificates.

6. Terms of Exchange

The new registered shares of medmix will be issued as uncertificated securities pursuant to article 973c CO and organized as intermediated securities in accordance with the Swiss Intermediated Securities Act.

The date for determining the shareholders of Sulzer who are entitled to receive registered shares in medmix is expected to be 29 September 2021, after close of trading.

It is expected that shareholders of Sulzer holding their shares in a securities deposit account will get credited their shares in medmix in their accounts on 30 September 2021. The exact date of credit depends on the safekeeping bank of the respective shareholders and cannot be influenced by any of the companies involved.

7. Start of Dividend Entitlement

The shareholders of Sulzer are immediately entitled to dividends with respect to the registered shares issued in medmix.

8. Effective Date of Transfer of Assets and Liabilities

The transfer of the Applicator Systems Division with benefits and risks shall be effective as of 1 January 2021. From this date any actions carried out by Sulzer shall be considered as having been carried out on the account of medmix.

The demerger will become legally effective upon registration with the commercial register. At this time, all assets, liabilities, receivables, debts, rights, obligations and contractual relationships are transferred by operation of law to medmix.

9. Special Benefits

No special benefits shall be granted by either company to the board of directors or any third parties in connection with the spin-off.

10. Employment Agreements

Sulzer currently does not have any employees. Therefore, no employment agreements will be transferred from Sulzer to medmix in the course of the spin-off.

11. Protection of Creditors

Sulzer notifies its creditors by public announcement in the Swiss Official Gazette of Commerce (SOGC) about their right to demand security for their claims.

The companies involved in the demerger shall provide security for or repay all claims of their creditors if these creditors so request within two months of publication in the SOGC, unless the obligation to provide security lapses pursuant to article 46(2) MA.

12. Approval by the Board of Directors

The members of the board of directors acting on behalf of Sulzer confirm that the approving resolution of the board of directors regarding this Demerger Plan has been passed and that the undersigned members are authorized to sign this Demerger Plan.

The execution of the spin-off is subject to the condition precedent of the approval by the shareholders' meeting of Sulzer.

13. Miscellaneous**13.1. Costs**

Costs incurred in connection with the preparation of the spin-off, in particular fees of external advisors, up to a total amount of CHF 2,000,000 shall be borne by Sulzer. All other costs incurred in connection with this spin-off shall be borne by medmix.

13.2. Annexes

The following annexes shall form an integral part of this Demerger Plan:

Annex 1.2: Articles of Association of medmix (Draft)

Annex 2: Demerger Balance Sheet

Annex 2.1: Demerger Inventory

14. Jurisdiction and Applicable Law

This Demerger Plan shall be governed by the substantive laws of Switzerland.

For any disputes arising out of or in connection with this Demerger Plan the courts at the registered seat of Sulzer shall have exclusive jurisdiction.

[Signatures on the following page]

Signatures

Sulzer AG

[sig. Peter Löscher]

Peter Löscher
Chairman of the board of directors

[sig. Suzanne Thoma]

Suzanne Thoma
Vice chairwoman of the board of directors

Annex 1.2 – Articles of Association of medmix (Draft)

[separate document]

Annex 2 – Demerger Balance Sheet

The following table shows the balance sheet of Sulzer, the demerged financial statements of medmix as they will be upon spin-off effective as of 1 January 2021 and the resulting financial statements of Sulzer as of the same date, assuming the effectiveness of the spin-off of medmix:

in CHF	Balance Sheet of Sulzer	Demerged balance sheet of medmix	Demerged balance sheet of Sulzer
	31 Dec 2020	01 Jan 2021	01 Jan 2021
Assets			
<i>Current assets</i>			
Cash and cash equivalents	454'744'143	100'000	454'644'143
Fixed-term deposits	80'000'000	-	80'000'000
Accounts receivable from subsidiaries	289'565'244	-	289'565'244
Prepaid expenses and other current accounts receivable	2'008'708	-	2'008'708
<i>Total current assets</i>	<i>826'318'095</i>	<i>100'000</i>	<i>826'218'095</i>
<i>Non-current assets</i>			
Loans to subsidiaries	667'808'000	-	667'808'000
Financial assets	8'356'714	-	8'356'714
Investments in subsidiaries	2'254'591'000	423'547'000	1'831'044'000
Investments in associates	4'615'000	-	4'615'000
<i>Total non-current assets</i>	<i>2'935'370'714</i>	<i>423'547'000</i>	<i>2'511'823'714</i>
Total Assets	3'761'688'809	423'647'000	3'338'041'809

Liabilities			
<i>Current liabilities</i>			
Current interest-bearing liabilities	209'858'939	-	209'858'939
Current liabilities with subsidiaries	10'224'641	-	10'224'641
Current liabilities with shareholders	260'970'202	-	260'970'202
Accrued liabilities and other current liabilities	17'717'113	-	17'717'113
Current provisions	5'547'100	-	5'547'100
<i>Total current liabilities</i>	<i>504'317'995</i>	-	<i>504'317'995</i>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	1'488'543'534	-	1'488'543'534
Non-current provisions	33'198'000	-	33'198'000
<i>Total non-current liabilities</i>	<i>1'521'741'534</i>	-	<i>1'521'741'534</i>
Total Liabilities	2'026'059'529	-	2'026'059'529
<i>Equity</i>			
Registered share capital	342'624	342'624	342'624
Legal capital reserves	205'500'000	50'000'000	155'500'000
Reserves from capital contribution	200'985'205	-	200'642'582
Voluntary retained earnings			
– Free reserves	1'185'469'219	373'304'376	812'164'843
– Retained earnings	50'591'802	-	50'591'802

– Net profit for the year	131'000'000	-	131'000'000
Treasury shares	-38'259'569	-	-38'259'569
<i>Total equity</i>	<i>1'735'629'281</i>	<i>423'647'000</i>	<i>1'311'982'281</i>
Total Equity and Liabilities	3'761'688'809	423'647'000	3'338'041'809

Annex 2.1 – Demerger Inventory

The inventory of assets, liabilities, receivables, debts, rights, obligations and contractual relationships, which will be transferred to medmix upon spin-off, is composed as follows:

A. Transferring Assets, Receivables and Rights

The following assets, receivables and rights will be transferred to medmix upon spin-off:

- Cash and cash equivalents in the amount of CHF 100,000;
- 100 registered shares with a par value of CHF 1,000 each in Applicator Systems AG, Zug;
- All assets, receivables and rights arising from the transferred contractual relationships pursuant to section C. below.

B. Transferring Liabilities, Debts and Obligations

The following liabilities, debts and obligations will be transferred to medmix upon spin-off:

- All third-party liability claims against Sulzer, if any, in connection with the listing and admission to trading of medmix on the SIX Swiss Exchange, in particular any prospectus liability claims;
- All claims of LeasePlan Deutschland GmbH against Sulzer, if any, under the letter of guarantee dated 19 April 2018, insofar as these claims relate to the basic relationship between LeasePlan Deutschland GmbH and GEKA GmbH;

- All claims of Citibank N.A., London Branch, against Sulzer, if any, under the performance undertaking dated 25 December 2018, insofar as these claims relate to the basic relationship between Citibank N.A., London Branch, on the one hand, and Sulzer Mixpac (UK) Ltd., Sulzer Mixpac USA Inc., GEKA GmbH or Sulzer Mixpac AG on the other hand;
- All claims of Federal Insurance Company (Chubb) against Sulzer, if any, under the letter of counter guarantee dated 12 February 2021, insofar as these claims relate to the basic relationship between Federal Insurance Company (Chubb) on the one hand and a group company of the Applicator Systems Division on the other hand;
- All claims of Commerzbank Aktiengesellschaft, Frankfurt am Main, Zurich Branch, against Sulzer, if any, under the guarantee clause pursuant to article 3 section 5 of the Credit Facility Agreement between Sulzer and Commerzbank Aktiengesellschaft, Frankfurt am Main, Zurich Branch, dated 20 February 2020/3 March 2020, insofar as these claims relate to the basic relationship between Commerzbank Aktiengesellschaft, Frankfurt am Main, Zurich Branch, and GEKA GmbH;
- All claims of Deutsche Bank AG against Sulzer, if any, under the guarantee dated 4 March 2020, insofar as these claims relate to the basic relationship between Deutsche Bank AG on the one hand and GEKA GmbH or Sulzer Mixpac Poland on the other hand; and
- All liabilities, debts and obligations arising from the transferred contractual relationships pursuant to section C. below

C. Contractual Relationships

- Loan Agreement between Sulzer (as borrower) and Sulzer Capital B.V. (as lender) dated 25 May 2021 in the amount of CHF 80,000,000;
- Agreement for the sale and purchase of all the shares in Haselmeier AG between Sulzer and Medico AG dated 7 August 2020;
- Share Purchase Agreement regarding the acquisition of all 178,572 registered shares at CHF 1.00 in medmix Systems AG between Wilhelm A. Keller and Sulzer dated 28/29 August 2018;
- Joint and several guarantee of Sulzer with respect to Markant Finanz AG dated 28 December 2020 up to a maximum amount of EUR 500,000 for claims of Markant Finanz AG against GEKA GmbH arising from the Factoring Agreement dated 2 November 2016;

- Joint and several obligation (guarantee) of Sulzer with respect to PB Factoring GmbH dated 28 December 2020 up to a maximum amount of EUR 15,000,000 for all current and future claims of PB Factoring GmbH against GEKA GmbH under the Financial Factoring Agreement dated 12 June 2017;
- Joint and several obligation (guarantee) of Sulzer with respect to PB Factoring GmbH dated 28 December 2020 for all current and future claims (unlimited) of PB Factoring GmbH against GEKA Manufacturing Corporation under the Financial Factoring Agreement dated 19 December 2017;
- Letter of guarantee of Sulzer to Zurich Cantonal Bank dated 17 December 2019 up to a maximum amount of CHF 5,300,000 for claims of Zurich Cantonal Bank against Sulzer Mixpac AG arising from future finance lease agreements;
- Letter of support from Sulzer to Sulzer Mixpac (UK) Limited dated 25 September 2020;
- Comfort letter of Sulzer to Haselmeier GmbH dated 5 November 2020;
- Comfort letter of Sulzer to Haselmeier India Private Limited dated 23 November 2020;
- Guarantee of Sulzer to Landesbank Hessen-Thüringen Girozentrale dated 3 August 2020 up to a maximum amount of EUR 12,000,000 for claims of Landesbank Hessen-Thüringen Girozentrale against GEKA GmbH under the loan agreement for EUR 10,000,000 for the financing of the construction of a production and warehouse building in Bechhofen;
- Guarantee of Sulzer to UBS AG dated 25 September 2009 up to a maximum amount of CHF 1,500,000 for claims of UBS AG against Sulzer Mixpac AG under the Credit Facility Agreement dated 18 September 2009/25 September 2009, applicable to Sulzer Mixpac AG pursuant to the Declaration of Accession of 20 September/8 October/19 October 2009;
- Guarantee Agreement of Sulzer with respect to Würth Leasing GmbH & Co. KG dated 8 April 2021 up to a maximum amount of EUR 145,000 for claims of Würth Leasing GmbH & Co. KG against GEKA GmbH under the Lease-Purchase Agreement of March/April 2021;
- Agreements still to be concluded between Sulzer, on the one hand, and UBS AG and/or Credit Suisse AG, on the other hand, regarding the listing and admission to trading of the shares of medmix on the SIX Swiss Exchange and a subsequent capital increase of medmix, in particular

engagement letters and/or underwriting agreements to be entered into and any other agreements to be concluded in connection therewith, including the rights and obligations arising from the initiation of the agreement; and

- Agreement still to be concluded between Sulzer and SIX Swiss Exchange AG regarding the listing and admission to trading of the shares of medmix, including the rights and obligations arising from the initiation of the agreement.