

May 27, 2021

Sulzer to spin off Applicator Systems, to be renamed medmix

- Split Sulzer into two focused, faster growing companies with different end-markets via a separate stock market listing of APS on SIX Swiss Exchange
 - APS, to be renamed medmix – leader in high-precision delivery devices in healthcare, industrial and consumer end-markets
 - Sulzer – leader in industrial flow control products and services for water, energy, chemical and industrial infrastructure
- Transaction to leverage full potential of both businesses, providing an attractive value creation opportunity for Sulzer shareholders
- Planned capital increase of medmix of CHF 200-300m simultaneous with listing, to strengthen the capital structure, fund growth initiatives and increase free float
- Listing planned for H2 2021 and subject to Sulzer shareholder approval at EGM to be scheduled for Q3 2021
- Capital markets day, scheduled for June 15, 2021, to provide more information on the proposed transaction and the two companies

Sulzer Ltd announces today the intention to spin-off its Applicator Systems (APS) division through a 1:1 share split, granting Sulzer shareholders one APS share in addition to each Sulzer share held.

The listing of APS on the Swiss Exchange (SIX) is planned for late Q3 or early Q4. Upon market introduction, APS will be renamed medmix and its listing will be combined with a share capital increase by medmix in the amount of CHF 200-300m without subscription rights for existing shareholders. The capital increase is expected to fund organic and inorganic growth, increase trading liquidity through a higher free float and introduce new, healthcare-focused investors to medmix.

The separation will leverage the full potential of two distinct businesses: Sulzer, a flow control business for water, energy, chemical and industrial infrastructure, and medmix, a delivery device business serving healthcare, industrial and consumer markets. This renewed focus is expected to accelerate the growth of both companies.

Sulzer Chairman Peter Löscher stated: “The Board of Directors of Sulzer is excited to bring medmix to the market. Its rapid development over the last few years, and the anticipated growth of its healthcare platform, make this the right time to do so. Our flow control businesses demonstrated their resilience in 2020, and they are having a strong start to 2021. Sulzer will be able to increase its capital allocation towards water, industry and aftermarket in pumps, while capitalizing on the strength of its renewable technologies portfolio in Chemtech. All stakeholders will benefit.”

Attractive investment propositions

Sulzer, through almost two centuries of existence, has a track record of successfully incubating promising ventures and developing them to become market leaders.

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medmix accelerated its transformation over the past five years to become a global market leader in high-precision delivery devices for the healthcare, consumer and industrial segments. It is well positioned to capture profitable growth opportunities in its markets, which are driven by mega trends and high entry barriers. medmix employs 1'900 people worldwide with expected sales of around CHF 450m in the current year and an adjusted EBITDA margin¹ of around 25%. It expects to return to its pre-pandemic EBITDA margin of above 26% in 2022. medmix expects to continue its positive development by growing faster than its end markets and increasing its revenue mix towards healthcare, to reach its mid-term EBITDA margin target of around 30%.

medmix is a historical APS brand, which was chosen as the new name for all of APS as it underscores its shift towards healthcare – drug delivery, surgery and dental together already represent more than half the APS profits – while acknowledging its founding Mixpac dental and industrial franchise.

Sulzer, after the medmix spin-off, will renew its focus on industrial flow control and separation technology. For 2021 excluding medmix, Sulzer expects to deliver revenues of CHF 3bn at an operational EBITA margin of around 9%, with a mid-term EBITA margin target range of 10-11% on the back of a continuous push towards water and industrial applications in pumps, biopolymers and recycling processes in separation and an acceleration of the growth of aftermarket activities, which already represent today approximately half of the revenue base. Water is Sulzer's largest pump segment and is expected to continue growing faster than its market. As a focused and agile player in sectors that should consolidate, Sulzer is excited about future opportunities.

CEO Gregoire Poux-Guillaume stated: "APS has grown from a Sulzer start-up to a global leader in precision delivery devices. It is an exciting business with tremendous value creation opportunities. We actively manage our portfolio and always evaluate the opportunity of giving our businesses a future of their own when they reach a level of maturity to thrive standalone, or when we are no longer the best owner. We have reached this moment with APS, which is substantially undervalued as part of Sulzer. The renewed focus of both Sulzer and APS, soon to be medmix, will create significant value for our customers, employees and shareholders."

Structure of transaction

The spin-off of medmix will be executed in the form of a symmetrical split, according to art.29 para b) and art. 31 para 2a) of the Swiss Merger Act, with existing shareholders receiving one medmix share in addition to each Sulzer share held. Sulzer's Board of Directors has unanimously approved the transaction. Current reference shareholder Tiwel Holding has confirmed that it will vote in favor of the spin-off and capital increase. The split of Sulzer into two separate companies and its associated capital increase will be proposed for shareholder approval at an extraordinary annual general meeting (EGM) to be scheduled in Q3 2021. The shareholder review process and the necessary two third majority vote quorum meets high transparency and corporate governance standards. The planned capital increase for medmix is expected to strengthen the balance sheet, enhance growth perspectives and trading liquidity while diluting current reference shareholder Tiwel. Further details regarding the proposed transaction and the two companies will be provided at the upcoming capital markets day on June 15, 2021.

¹ Corresponds to operational profitability (opEBITA margin) of around 19% in 2021 and above 20% in 2022.

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Credit Suisse and UBS are acting as exclusive financial advisors to Sulzer in the context of the proposed spin-off.

Review of documents by shareholders

In accordance with art. 41 of the Swiss Merger Act, shareholders will be provided with access to the demerger plan, the demerger report, the audit report on the demerger and the financial reports for the last three years. The review period will start on June 3rd, 2021 and will conclude on August 4th, 2021. During such time, these documents will be accessible on our homepage via the following link:

www.sulzer.com/aps-spinoff

Creditors notification

In accordance with art. 45 of the Merger Act we will notify creditors of the transaction by publication in the Swiss Commercial Gazette, and we plan to publish the first of these notifications on May 28, 2021.

Sulzer is a global leader in fluid engineering. We specialize in pumping, agitation, mixing, separation and application technologies for fluids of all types. Our customers benefit from our commitment to innovation, performance and quality and from our responsive network of 180 world-class manufacturing facilities and service centers across the globe. Sulzer has been headquartered in Winterthur, Switzerland, since 1834. In 2020, our 15'000 employees delivered revenues of CHF 3.3 billion. Our shares are traded on the SIX Swiss Exchange (SIX: SUN). www.sulzer.com

Investor presentation

Sulzer will hold a webcast to provide further insights on the proposed spin-off at 14:00 CEST. Please note that the moderator can only take questions from dialed-in participants.

Please pre-register for the event to receive dedicated dial-in details to access the call easily and quickly:

Link:

<https://services3.choruscall.ch/DiamondPassRegistration/register?confirmationNumber=1213866&linkSecurityString=152075e80>

Webcast: <https://www.sulzer.com/aps-spinoff-webcast>

Please dial in 5 minutes before the start of the conference call.

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Any offering of securities mentioned herein will not be registered under the United States Securities Act of 1933, as amended (the "Act"), and such securities may not be offered or sold in the United States of America absent registration or an applicable exemption from registration requirements under the Act.

This announcement has been prepared on the basis that any offer of securities in any Member State of the European Economic Area ("EEA") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation") from the requirement to publish a prospectus for offers of securities. Accordingly any person making or intending to make any offer in the EEA of the securities which are referred to in this announcement may only do so in circumstances in which no obligation arises for the issuer or any of the initial purchasers of such securities to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

This announcement and any other documents and/or materials relating hereto is not being made, and such documents and/or materials have not been approved by an authorized person, for the purposes of section 21 of the Financial Services and Markets Act 2000 (the "FSMA"). Accordingly, this announcement is not being made and related documents and/or materials have not been distributed, and must not be passed on, to persons in the United Kingdom ("UK") other than (i) persons falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) high net worth entities falling within Articles 49(2)(a) to (d) of the Order, (iii) persons falling within Article 43(2) of the Order, including existing members and creditors of Sulzer, or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) may otherwise lawfully be communicated or caused to be communicated (all such persons described in (i) to (iv) above together being referred to as "Relevant Persons"). In the UK, any investment or investment activity to which this announcement or any related documents and/or materials relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person in the UK who is not a Relevant Person should not act or rely on this announcement or any related documents and/or materials or any of its or their contents.

This announcement has been prepared on the basis that any offer of securities in the UK will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 (as amended) from the requirement to publish a prospectus for offers of securities. Accordingly any person making or intending to make any offer in the UK of the securities which are referred to in this announcement may only do so in circumstances in which no obligation arises for the issuer or any of the initial purchasers of such securities to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.