



ProventisPartners.

## **FAIRNESS OPINION – ZWAHLEN & MAYR S.A.**

Evaluation of the financial adequacy of SITINDUSTRIE Suisse S.A.'s public takeover offer for the outstanding shares of Zwahlen & Mayr S.A.

16 September 2025



## FAIRNESS OPINION ZWAHLEN & MAYR S.A.

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## INITIAL SITUATION

### Background and mandate introduction

#### Introduction and background

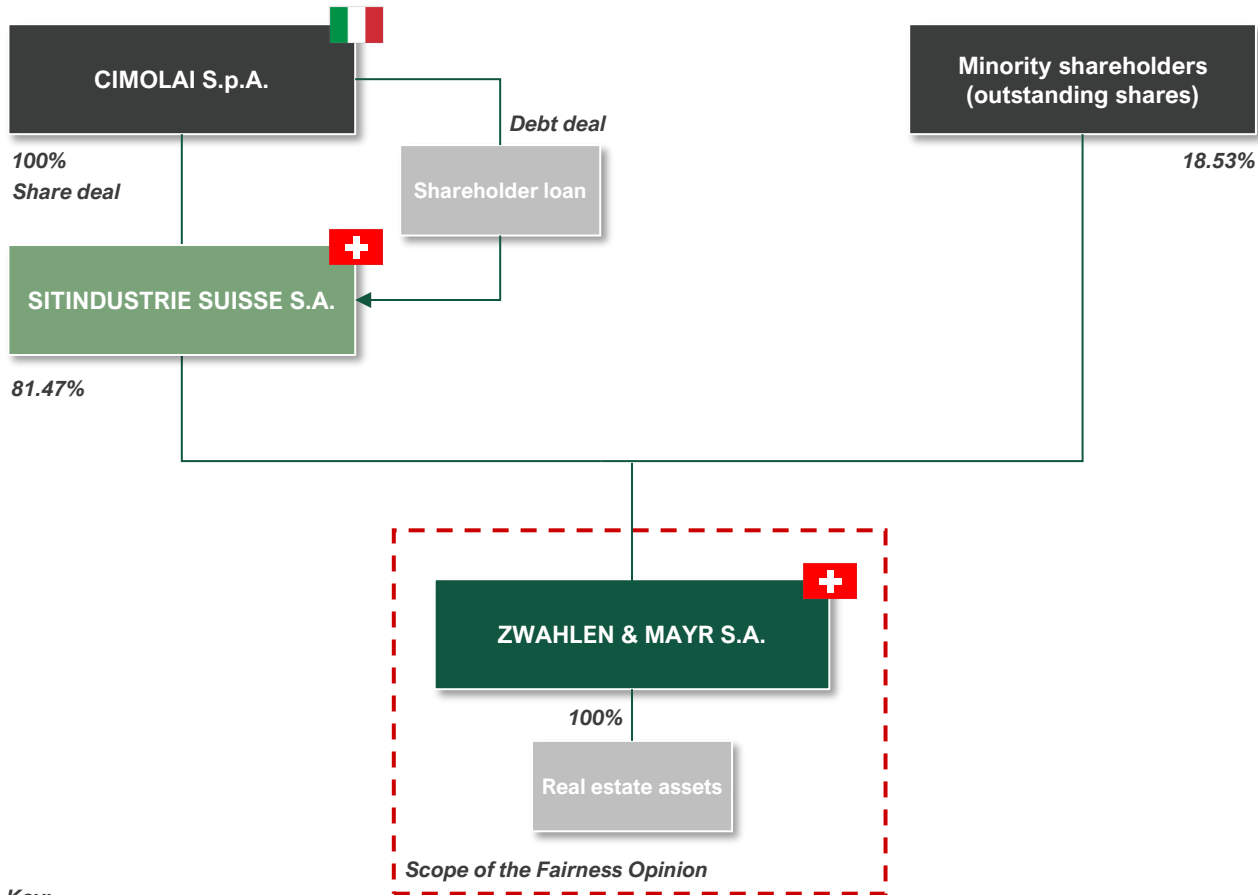
- On 1 December 2024, Zwahlen & Mayr S.A. ("ZM") published an *ad hoc* announcement: "Prospective sale of the controlling interest indirectly held by Cimolai S.p.A. ("Cimolai") in ZM in execution of the approved composition with creditors – granting of an exclusivity period to a potential purchaser."
- Cimolai, a company incorporated under Italian law with its registered office in Rome, holds 100% of the share capital of SITINDUSTRIE Suisse S.A., a company incorporated under Swiss law with its registered office in Le Mont-sur-Lausanne. SITINDUSTRIE Suisse S.A., in turn, holds an 81.47% stake in the share capital of ZM (the "Shareholding"). ZM was informed that Cimolai filed a proposal for a composition with creditors on a going-concern basis before the competent Italian court, which subsequently approved the proposal. To support the liquidity required to sustain Cimolai's core business operations, the approved plan provides, *inter alia*, for the divestment of certain non-strategic assets, including the Shareholding. As a result, Cimolai initiated a competitive sale process for its Shareholding. Within this process, Cimolai selected Groupe Bader S.A., a Swiss corporation ("GBSA"), as a potential buyer and entered into a non-binding letter of intent regarding the contemplated acquisition.
- GBSA agreed on a purchase price of EUR 20.9m, comprising:
  - (a) EUR 8.8m for the equity value of SITINDUSTRIE Suisse S.A., to be paid at the closing of the transaction; and (b) EUR 12.1m as consideration for the existing shareholder loan between SITINDUSTRIE Suisse S.A. and Cimolai, to be paid within nine months of closing and no later than 31 December 2025. Pursuant to the letter of intent, the completion of the transaction, subject to a due diligence review, was tentatively expected to occur by 31 March 2025. Following the signing, a deduction of CHF 900k from the shareholder loan was agreed between the seller and GBSA, reflecting a fraud incident in which ZM was the aggrieved party.
- The purchase price agreed on 7 March 2025 for SITINDUSTRIE Suisse S.A. 81.47% stake in ZM implies a valuation of approximately CHF 10.3m<sup>1</sup> for 100% of ZM, corresponding to CHF 147.1<sup>2</sup> per ZM share (the "Agreed Purchase Price", or "APP").
- On 7 March 2025, Cimolai entered into a sale and purchase agreement ("SPA") with GBSA regarding the potential purchase of the Shareholding.
- By means of a no-action letter dated 3 April 2024, the Swiss Takeover Board confirmed that, as the sale of the Shareholding is being executed in the context of a composition with creditors, the purchaser of the Shareholding will not be subject to the obligation to submit a mandatory takeover offer for the remaining shares of ZM pursuant to Article 135 para. 1 of the Financial Market Infrastructure Act ("FMIA"), due to the application of Article 136 para. 2 FMIA.
- On 9 April 2025, Cimolai and GBSA successfully closed and completed the indirect sale of the Shareholding. As a result, GBSA became the shareholder of SITINDUSTRIE Suisse S.A. and, indirectly, the holder of the Shareholding. In the course of the closing, the current members of the board of directors resigned from their positions on the board of ZM.
- On 13 May 2025, ZM convened an extraordinary shareholders' meeting at which Jack Bader, Jessy Bader, and Thierry Bader were elected as members of the Board of Directors of ZM, with Jack Bader appointed as Chairman. In addition, a majority of shareholders approved the delisting of ZM from the SIX Swiss Exchange.
- On 18 September 2025, SITINDUSTRIE Suisse SA will launch its contemplated public takeover offer for the outstanding shares of ZM ("Public Takeover Offer") for a consideration of CHF 147.1 per share ("Offer Price").

Source: Press releases issued by ZM; Note: 1. Assumes an EUR/CHF exchange rate of 0.96 as of 7 March 2025; 2. Per share value derived using 70'200 diluted shares outstanding.

## INITIAL SITUATION

### Scope of the Fairness Opinion

#### Fairness Opinion perimeter



#### Commentary

- The Fairness Opinion is strictly limited to the defined scope shown on the left and exclusively considers ZM as a standalone entity.
- The valuation excludes any assessment of the shareholder loan between SITINDUSTRIE Suisse S.A. and Cimolai and focuses solely on ZM's operating business on a going concern basis, while considering the real estate component.

#### Key:



Source: Press releases issued by ZM.

## MANDATE OF PROVENTIS PARTNERS AG

### Scope of the work

#### Scope of our mandate and disclaimer

- The Board of Directors of ZM mandated Proventis Partners AG ("Proventis Partners") to assess the financial adequacy of the Public Takeover Offer from the perspective of ZM's public minority shareholders (the "Fairness Opinion").
- The present Fairness Opinion provides an independent valuation analysis of Zwahlen & Mayr S.A. Proventis Partners issues this Fairness Opinion as an independent corporate finance advisor and receives a common market fee for its services. Proventis Partners does not receive any compensation that depends on the statements in this valuation report nor is Proventis Partners entitled to receive a success fee if the proposed transaction is successfully completed.
- This Fairness Opinion is limited to assessing the financial adequacy of the Public Takeover Offer. Proventis Partners has based its assessment exclusively on the information and data provided by ZM, its management, and its advisors.
- The scope of the mandate includes the valuation of ZM shares but expressly excludes the shareholder loan. Accordingly, no assessment has been made regarding the recoverability or valuation of the shareholder loan.
- The Fairness Opinion is intended solely for the Board of Directors of ZM as part of its internal decision-making and related shareholder communications in connection with the Public Takeover Offer.
- For the sake of clarity, the Fairness Opinion solely assesses the financial adequacy of the Public Takeover Offer for the outstanding shares of ZM listed on the SIX Swiss Exchange.
- This document may be published in connection with the Public Takeover Offer and may be referenced in any related shareholder or regulatory communication. Any use for other purposes is not permitted.
- This Fairness Opinion does not constitute a recommendation to ZM's public shareholders to accept or reject the Public Takeover Offer. Furthermore, it does not assess the following elements:
  - The payment terms and other conditions of the contemplated offer
  - The legal and tax implications of the transaction structure
  - The consequences that may arise from accepting or rejecting the contemplated offer
  - The future value of ZM shares
- Proventis Partners has neither conducted a statutory audit nor any form of due diligence.
- Proventis Partners has no obligation to update, review, or confirm the information contained in this document.
- In connection with the preparation of this Fairness Opinion, Proventis Partners has not received any compensation contingent upon specific valuation outcomes.
- Proventis Partners has been officially recognized by the Swiss Takeover Board since 2016 as being specifically qualified to issue fairness opinions in the context of public takeover offers.

## OUR APPROACH

### Overview of the valuation methods applied

#### Approach and methodology

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##### Basic assumptions

- To assess the financial adequacy of the Public Takeover Offer, Proventis Partners conducted comprehensive valuation considerations and analyses of ZM.
- The underlying valuation object is ZM.
- The valuation date is 16 September 2025.
- As a result of the Fairness Opinion, a valuation range was determined for both the enterprise value and the equity value of ZM. The resulting range for the implied per-share value of ZM serves as an indication for assessing the financial adequacy of the Public Takeover Offer.
- The valuation is based on a stand-alone perspective. Potential synergies which a prospective buyer might achieve were not considered.
- Possible effects at the individual shareholder level, such as tax implications, were not considered either.

##### Valuation methods applied

- The valuation range for ZM as a company, and the resulting per-share valuation range, was primarily determined using a discounted cash flow ("DCF") analysis and supported by an independent real estate valuation conducted by G. Vago Analyses Immobilières Sàrl ("G. Vago"), a Gland (VD) based independent real estate valuation expert to assess the value of the non-operating real estate. As part of the DCF analysis, sensitivity analyses were conducted by adjusting for key value drivers.
- To validate the DCF results, additional valuation methods, including comparable company analysis, comparable transaction analysis, and a share price analysis were also conducted.
- The DCF valuation is based on the assumptions contained in ZM's business plan ("Business Plan"), which was prepared and validated by ZM's management and its advisors.
- Several conference calls and meetings were held with (the representatives of) ZM's management to validate the information received and the Business Plan.
- Furthermore, a site visit of ZM's production facilities in Aigle (VD) was conducted on 10 July 2025.

## SOURCES AS BASIS FOR THE VALUATION

### Sources of information considered in our valuation

#### Basis for valuation

##### Proventis Partners relied on the following sources for its assessment:

- Publicly available information on ZM relevant for the Fairness Opinion. This included the audited annual reports by Forvis Mazars S.A. for the financial years 2021A to 2024A, as well as press releases.
- Furthermore, a factbook and independent business review was prepared by KPMG and used for the assessment.
- Internal company information on ZM relevant for the Fairness Opinion, in particular the long-term Business Plan for the financial years 2026P to 2030P, and the budget for ZM for the financial year 2025B. The Business Plan was prepared by ZM's management.
- Discussions and conference calls with ZM's management and its representatives, focusing on the financial and earnings position, business development, the current and future market environment, value drivers, and the underlying assumptions in the Business Plan.
- A separate valuation on the real estate performed by G. Vago, a local independent real estate valuation expert.
- Discussions and conference calls with (the representatives of) ZM's management regarding strategy, planned initiatives and actions to be taken in line with the Business Plan, as well as information on market developments.
- Details on debt-related and cash-equivalent balance sheet items.
- Capital market and financial data on ZM and selected comparable companies (primary sources: S&P Capital IQ).
- Data on comparable transactions in the sector (source: S&P Capital IQ).
- In preparing the Fairness Opinion, Proventis Partners has assumed that the financial information and other data relating to ZM are accurate and complete. Proventis Partners has relied upon such information without assuming responsibility for the independent verification of its accuracy or completeness.
- ZM's management has confirmed to Proventis Partners that it is not aware of any facts or circumstances that would render the information provided incomplete, inaccurate, or misleading.
- While preparing this document, Proventis Partners has conducted a site visit of ZM's buildings and facilities.
- The information and criteria contained in this document are based on the prevailing market, corporate, and economic environment as of 16 September 2025. Subsequent developments may affect the information used as the basis for this Fairness Opinion.
- Proventis Partners has no obligation to update, review, or confirm the information contained in this document.



# FAIRNESS OPINION ZWAHLEN & MAYR S.A.

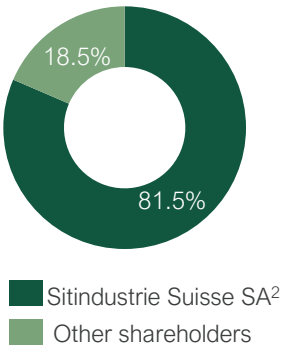
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GENERAL COMPANY INFORMATION  
Zwahlen & Mayr S.A. at a glance

Business overview

- Founded in 1881 and headquartered in Aigle (VD), Switzerland, **Zwahlen & Mayr S.A.** operates in two main sectors:
  - Tubes** – production of stainless-steel and nickel alloy tubes (redrawn, welded, seamless), used in applications such as heat exchangers, condensers, evaporators, and feed water heaters across industries including automotive, pneumatic, and pharmaceutical.
  - Constructions** – steel construction, with contributions to major infrastructure projects including airports, stadiums, bridges, and both private and public buildings.
- The company has been listed on the SIX Swiss Exchange since 1996 and has a market capitalization of CHF 12.6m as of 16 September 2025, including the non-listed registered shares.
- On 26 March 2012, ZM was indirectly acquired by Cimolai through its purchase of SITINDUSTRIE Suisse S.A.

Initial shareholder structure of ZM



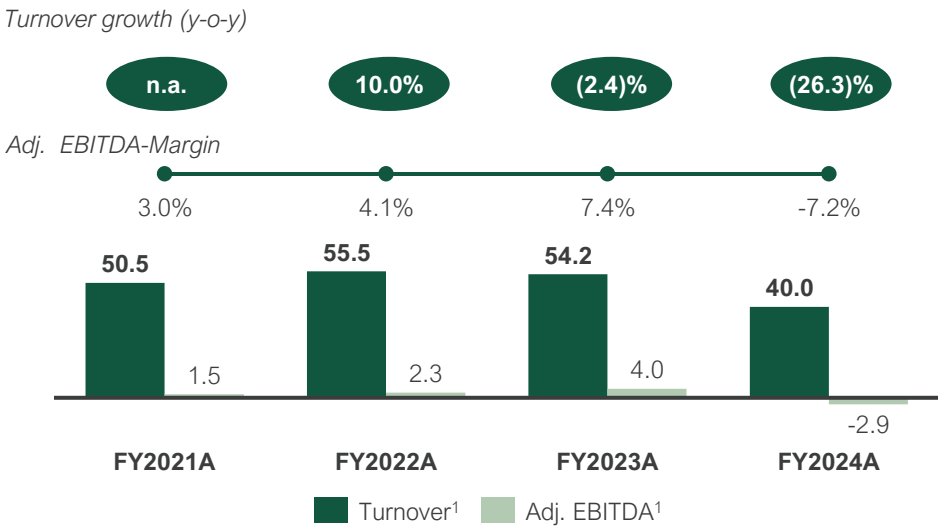
ZM Board of Director

**Jack Bader**, Chairman  
(Co-CEO, GBSA)

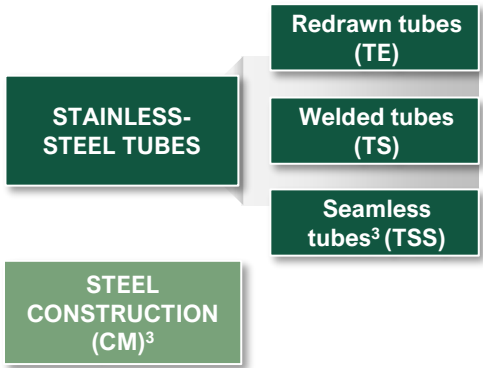
**Thierry Bader**, Director  
(Chief Strategy Officer, GBSA)

**Jessy Bader**, Director  
(Co-CEO, GBSA)

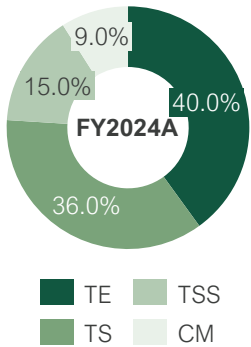
Key financials (in CHFm)



Business units



Turnover by business unit<sup>4</sup>

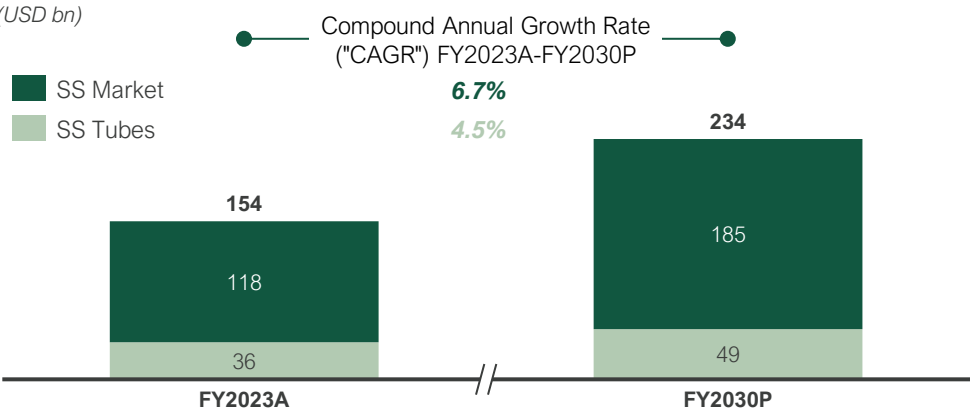


Source: Company information; Note: 1. Financial Fact Book Adj. Management Accounts; 2. Fully owned by Cimolai; 3. Operations discontinued in FY2024; 4. Unconsolidated.

## MARKET OVERVIEW

### Stainless-steel and stainless-steel tubes markets

#### Global stainless-steel and stainless-steel tubes market evolution (USD bn)



- The global stainless-steel market size was estimated at USD 118bn in FY2023A and is expected to grow at a compound annual growth rate of 6.7% from FY2023A to FY2030P
- The global stainless-steel tubes market size was estimated at USD 36bn in FY2023A and is expected to grow at a compound annual growth rate of 4.5% from FY2023A to FY2030P

#### ZM tube applications

Metal products	Lightweight nature, corrosion resistance, and ease of installation
Chemical & petrochemicals	For transportation of oil and gas and for thermal management
Automotive & transportation	Essential for fuel systems, gaskets, breaks and powertrains
Infrastructure & construction	Used for building exteriors, street furniture, building facades and outdoor escalators
Electrical engineering	Appliances and equipment incl. wires and heat exchangers

#### Key market drivers

##### Strong underlying market growth and size

- The steel tubes market is growing steadily due to global industrialization and urbanization, with strong demand in construction, automotive or oil and gas

##### Rapid industrialization

- Rapid industrialization in emerging economies and increasing demand in construction and infrastructure drives additional demand

##### Disruptive innovation in welding

- Disruptive innovations such as electric resistance welding, seamless tube processing, and increasing adoption of digital technologies and automation are driving efficiency and competitiveness in the market

##### Wide addressable market across partially promising sectors

- Steel tubes are widely used in construction for support, automotive components or oil and gas pipelines, valued for their versatility and strength

##### Focus on sustainable manufacturing

- Sustainable manufacturing and the use of recycled materials are increasing, with a growing demand for lightweight, high-strength steel tubes

##### Strong focus on high-quality products in Europe and North America

- Asia-Pacific dominates due to infrastructure development, while North America and Europe focus on high-quality products; emerging economies offer growth opportunities for high-quality ZM products

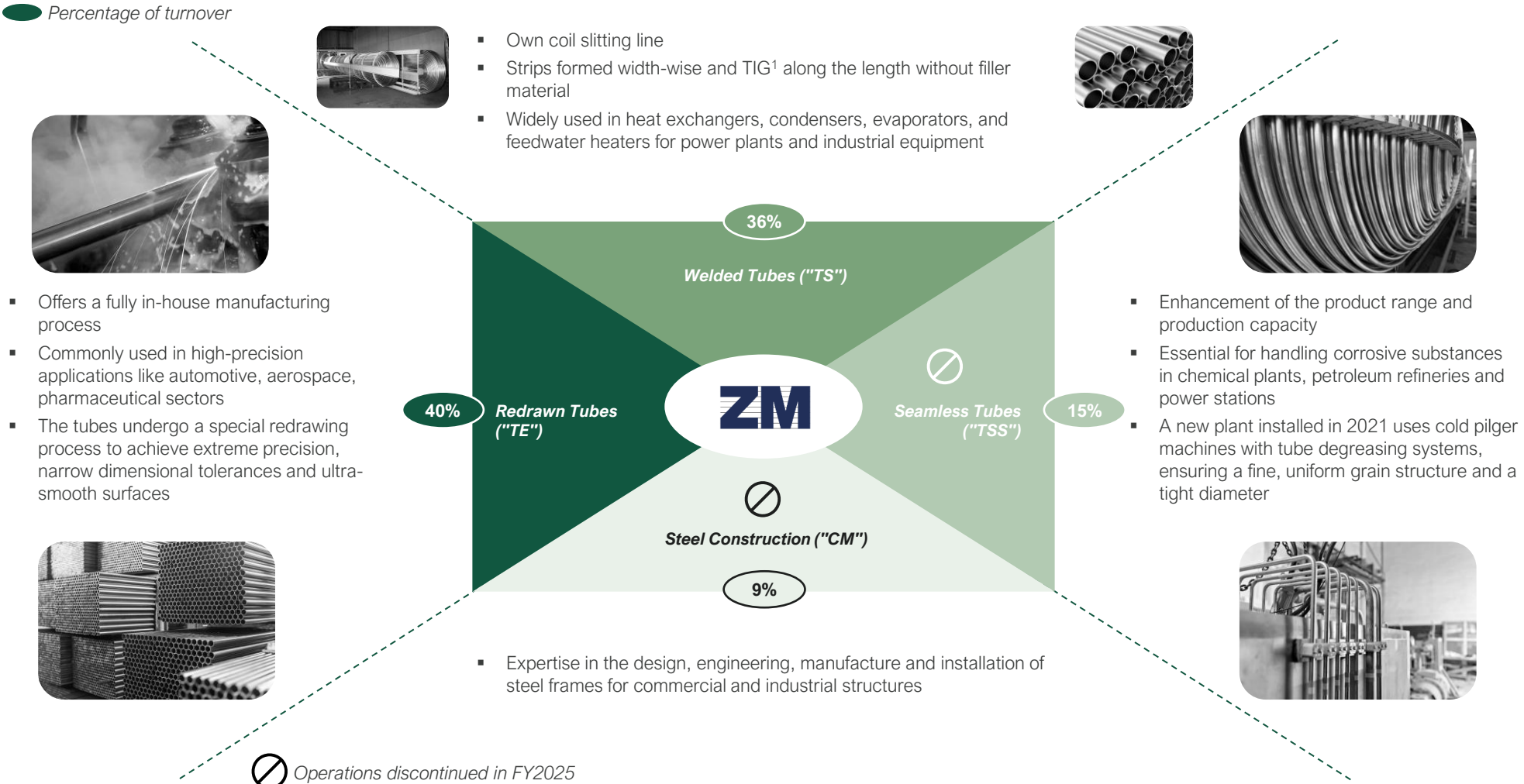
##### Regulatory and market shifts

- Regulatory changes and market volatility present challenges but also drive innovation; emerging markets offer significant growth potential for steel tube penetration

Sources: Grand View Research, Zion Market Research, Technavio, Publicly available information.

BUSINESS ACTIVITY AND PRODUCTS

ZM operates two core business lines — stainless steel tubes and steel construction — primarily serving European markets, which also represent its strongest growth prospects

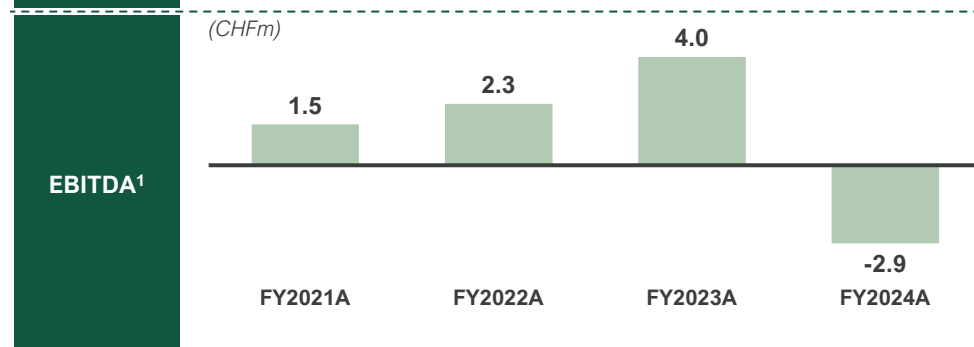
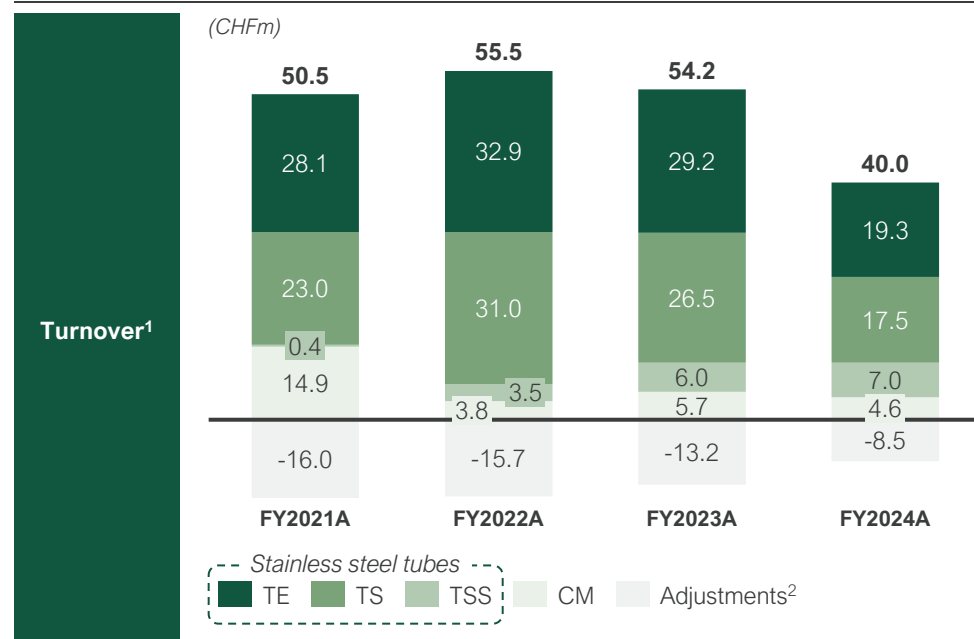


Source: Company Information; Note: 1. Tungsten Inert Gas.

## HISTORICAL FINANCIALS

Challenging macroeconomic conditions combined with weakening demand resulted in a decline in turnover in FY2024A

### Evolution of historical financials



### Comments for FY2023A and FY2024A

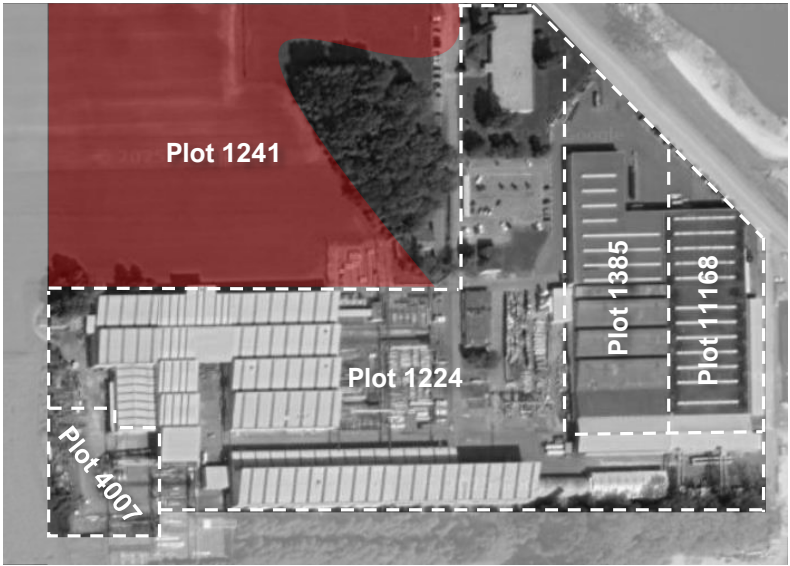
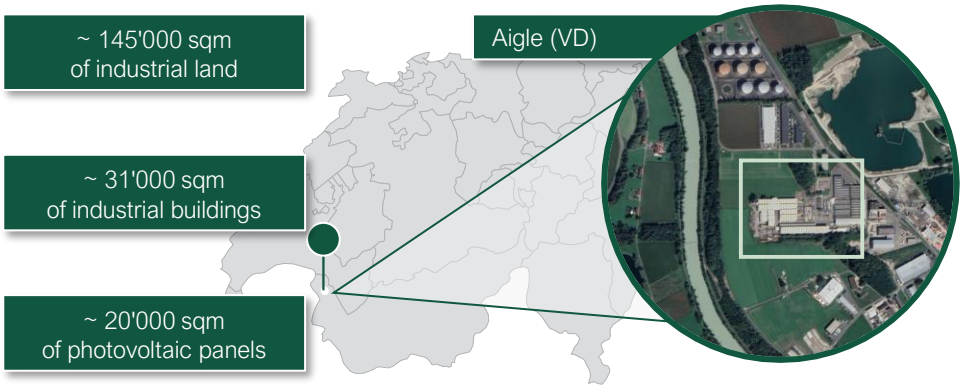
- In FY2023A, turnover decreased to CHF 54.2m, representing a decline of 2.4%.
  - Stainless steel tubes: The decline was primarily attributable to softer global demand in the TS and TE segments, while the newly launched TSS segment delivered growth, supported by increased volumes and improved pricing.
  - CM: Despite ongoing uncertainty in the construction sector, the CM segment increased turnover to CHF 5.7m, driven by successful completion of key landmark projects.
- In FY2024A, turnover decreased to CHF 40.0m, representing a decline of 26.3%.
  - Stainless steel tubes: The segment's turnover dropped significantly mainly due to a sharp decline in sales of TS (-33.9%) and TE (-34.2%), driven by weak demand from the pharmaceutical sector following high stockpiling in FY2023 that reduced reorder volumes. Additionally, the sustained appreciation of the Swiss franc against the euro and fluctuating raw material prices further hurt competitiveness and margins, outweighing the growth seen in the TSS unit.
  - CM: The segment's turnover declined from CHF 5.7m to CHF 4.6m, mainly due to the postponement of several major projects. Additionally, uncertainty surrounding the company's divestiture undermined client confidence, making it more difficult to secure new orders due to concerns about the company's future.

- The EBITDA for FY2023A amounted to CHF 4.0m, representing an increase of 77%.
  - The increase was primarily driven by an 8.2% reduction in raw material costs, with operating expenses increasing only moderately by 2.7%.
- The EBITDA for FY2024A amounted to CHF (2.9m), representing a decrease of 172%.
  - The sharp decline was primarily driven by a 26.3% drop in turnover, compounded by elevated raw material and personnel costs, which remained high relative to the company's reduced production output.

Source: KPMG financial and tax factbook for FY24; Note: 1. Adjusted Management Accounts; 2. Comprise of I/C adjustments, reclassifications, GAAP adjustments, recon. differences and management adjustments.

REAL ESTATE  
Strategically located prime industrial plot with versatile land use

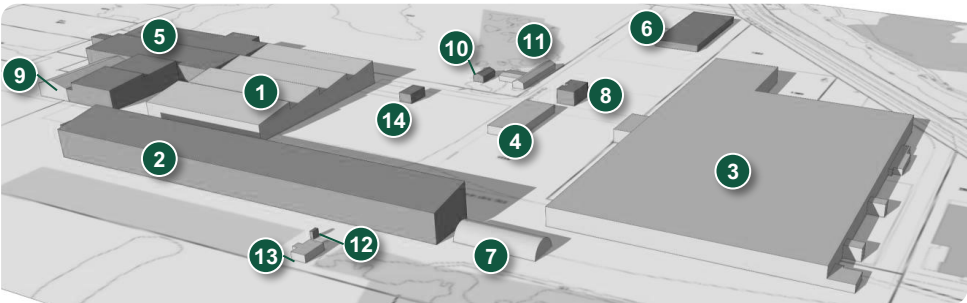
Site overview



Source: Company information, G.VAGO.



Overview of buildings in scope



#	Year of construction	Volume (m <sup>3</sup> )	Real estate usage by ZM in %
1	1964	52'227	100%
2	1964	69'346	50%
3	1965	147'979	100%
4	1964	2'250	100%
5	1965	52'201	50%
6	1971	5'987	100%
7	1989	2'171	×
8	1990	526	100%
9	1988	5'760	50%
10	1970	249	100%
11	1970	1'200	100%
12	n/a	n/a	×
13	n/a	n/a	×
14	2024	350	×
		340'246	

Not used in operations

Used in operations



## BUSINESS PLAN DRIVERS

**Despite a challenging environment, ZM is well positioned to accelerate strategically within GBSA by realizing synergies and unlocking value across its TE and TS business units, as well as its real estate**

### Key Business Plan drivers

1

#### Acceleration and streamlined focus on TE & TS

- The reduction of ZM's business units from four to two is expected to streamline operations and generate operational efficiencies, reduce overhead costs, and optimize the company's use of physical space.
- Given that TS forms the foundation for TE, the integration of the two business units is expected to yield significant operational synergies and create opportunities for efficiency gains.

2

#### Realizing synergies within GBSA

- The new owner, GBSA, is active in the recycling of steel components and scrap materials. Given ZM's core activities in stainless steel processing, GBSA could serve as both supplier and off-taker of scrap, unlocking synergies across the value chain.

3

#### Unlocking value in real estate

- ZM's operations are located on a sizeable site in Aigle (VD) spanning over 145'000 sqm, of which only a portion is currently operationally utilized.
- Under new ownership, with operations streamlined into two core business units and a leaner operational footprint, the business is well-positioned to unlock value from unutilized land and underutilized buildings, offering attractive opportunities for future value realisation<sup>1</sup>.

4

#### Committed to reduction of carbon emissions

- In response to rising energy costs and geopolitical uncertainty, ZM has proactively invested in on-site solar panel installations.
- With over 20'000 sqm of solar panels installed, generating 1.1 GWh (FY2024A) and 2.0 GWh (FY2023), ZM operates one of the largest photovoltaic installations in the region, enabling a reduction in operational energy costs.



Source: Company information; Note: 1. Management information.

## FAIRNESS OPINION ZWAHLEN & MAYR S.A.

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## METHODOLOGY (1/2)

### Overview of the different valuation methodologies applied

#### Income-based valuation method

##### Discounted cash flow ("DCF") analysis

- The DCF analysis is one of the most widely recognized valuation methods based on income values. The fundamentals of this valuation method are explained in more detail on the following pages.
- The DCF method projects future free cash flows ("FCFs") and discounts them to present value using the weighted average cost of capital ("WACC"). It captures the intrinsic value of the business.

#### Market-based valuation method

##### Analysis of historical stock price development

- To assess ZM's market value prior to the valuation date, we analyzed the share price performance over the preceding twelve months. Additionally, key indicators such as trading volumes and liquidity were incorporated into the analysis.

##### Analysis of trading and transaction comparables

- Market valuations of comparable publicly listed companies (trading multiples) and comparable transactions (transaction multiples) were analyzed. This method requires a high degree of comparability between ZM and the selected peer companies and completed transactions. An overview of the identified comparable companies and transactions is provided in Appendices 2 and 3.

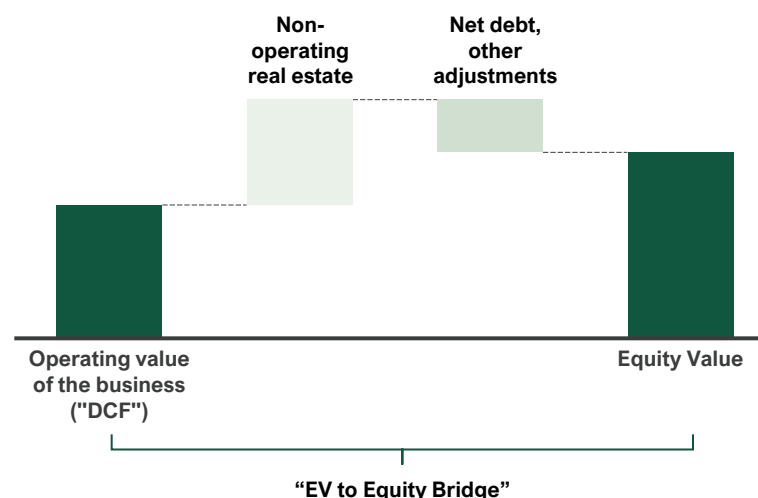
##### Analysis of takeover premiums based on the 60-day volume-weighted average price ("VWAP")<sup>1</sup>

- As part of this analysis the takeover premia from selected prior public takeovers in Switzerland have been reviewed.

#### DCF with non-operating assets adjustments

- In the context of ZM's valuation, the DCF approach was applied and adjusted for non-operating assets and other adjustments, as it allows for an appropriate reflection of the value attributable to the underlying real estate.
- Accordingly, the value of the operating business was determined using a DCF method, which estimates the intrinsic value of ZM's core operations. The real estate was valued separately by G. Vago, an independent real estate valuation expert, using a market-based approach, applying market capitalization rates to net rental income. This separate valuation ensures that non-operational assets are appropriately captured, independently of the company's operating performance.

#### Illustration – Adjustment for non-operating real estate





METHODOLOGY (2/2)  
Calculation of equity value per share

General remarks

- The primary method used to determine the fair equity value of ZM’s operations is the DCF analysis, an earnings-based valuation approach that captures a wide range of company-specific factors.
- Given the significant role of real estate within the transaction perimeter, a separate valuation of the real estate assets was performed and reflected in the equity bridge as non-operating assets.
- The real estate valuation was conducted by G. Vago, an independent third party, and the methodology is detailed on the following pages.
- The key assumptions underlying the Business Plan provided by ZM's management were reviewed for plausibility. For this purpose, targeted discussions were held with management and its representatives, and the assumptions were compared to ZM's historical results, historical and expected market developments, and industry benchmarks.
- To further verify the plausibility of the DCF analysis results, several market value-based valuation methods were applied.
- The valuation date is 16 September 2025.
- Figures in this report have been rounded for clarity and may not add up due to rounding.

Calculation of equity value and number of outstanding shares

- The valuation methods outlined on the left were applied to determine the enterprise value ("EV") of ZM. Subsequently, the equity value was calculated by deducting net debt, other adjustments and adding back non-operating assets, such as real estate.
- The equity value per ZM share was derived by dividing the equity value by the number of outstanding ZM shares, divided into listed bearer shares and registered non-listed shares. Any potential dilution from dilutive instruments such as restricted stock units ("RSUs"), performance stock units ("PSUs"), and Employee stock option plans ("ESOPs") was considered. This was based on information provided by ZM's management and available annual reports.
- The table below shows the calculation of the number of diluted shares outstanding as of 16 September 2025.
- All further calculations are based on the exact number of diluted shares outstanding (see table below).

Calculation of diluted shares outstanding	
	Number of shares
Listed bearer shares	40'200
Non-listed registered shares	30'000
Outstanding shares	70'200
Dilution (RSUs, PSUs and ESOPs)	-
Diluted number of outstanding shares	70'200

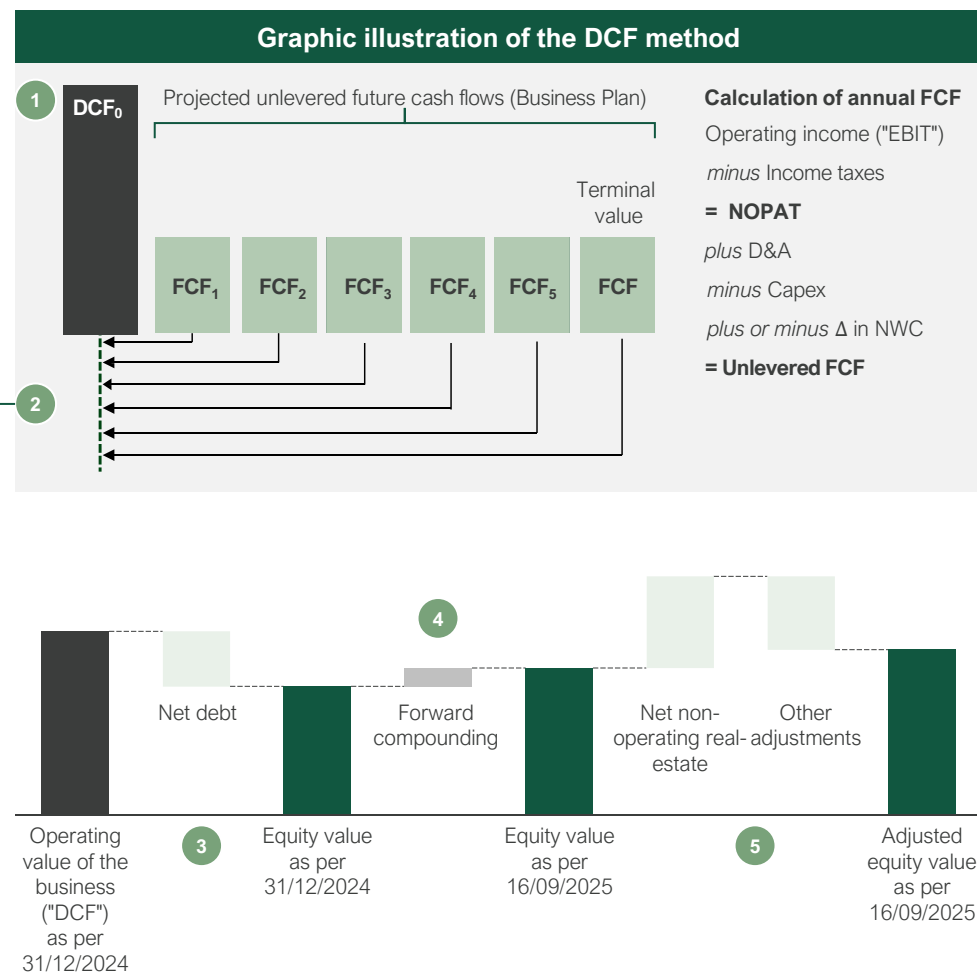
Source: Management Information; Zwahlen & Mayr S.A. Annual Report 2024.

## DCF ANALYSIS (1/5)

### General overview of the DCF valuation method

#### Theoretical foundation

- 1 The DCF analysis is based on the FCFs which are planned to be generated in the future before financing activities. As part of the DCF analysis, the cash flows available to service both debt and equity providers are examined.
  - The FCFs were determined based on the Business Plan prepared by ZM's management. The FCFs result from the sum of the division-specific risk-adjusted earnings contributions. The earnings contributions are consolidated at the company level and reduced by the costs incurred at the group's headquarters or not otherwise allocated. Considering the planned investments and changes in net working capital, the risk-adjusted FCF is determined.
  - The diagram on the right illustrates the overall approach used to calculate the annual FCF, starting from operating income ("EBIT").
  - For the DCF analysis, the Business Plan for fiscal years 2025B through 2030P served as a basis. Additionally, an assumption regarding long-term FCF beyond the explicit planning period was applied to derive the terminal value. The terminal value was calculated using the Gordon Growth Model, assuming a perpetual growth rate and discounting it with the WACC.
- 2 These resulting cash flows are discounted to the 31 December 2024 as the financial reference date using the WACC to reflect the present value and the inherent business risks of the underlying business.
  - The WACC reflects the return expectations of both debt and equity providers. The cost of equity is derived using the capital asset pricing model ("CAPM"). The assumptions underlying the calculation of ZM's WACC are presented on the following pages and in Appendix 1.1.
- 3 Net debt as per the 31 December 2024 is then deducted from the operating value of the business resulting in the equity value as per 31 December 2024.
- 4 The equity value is then compounded forward at the firm's cost of equity to the 16 September 2025.
- 5 To derive at the adjusted equity value as per the valuation date, 16 September 2025, net non-operating real estate was added, and other adjustments were deducted.



## DCF ANALYSIS (2/5)

### Calculation of the weighted average cost of capital ("WACC")

#### Derivation of the WACC<sup>1</sup>

##### Cost of equity

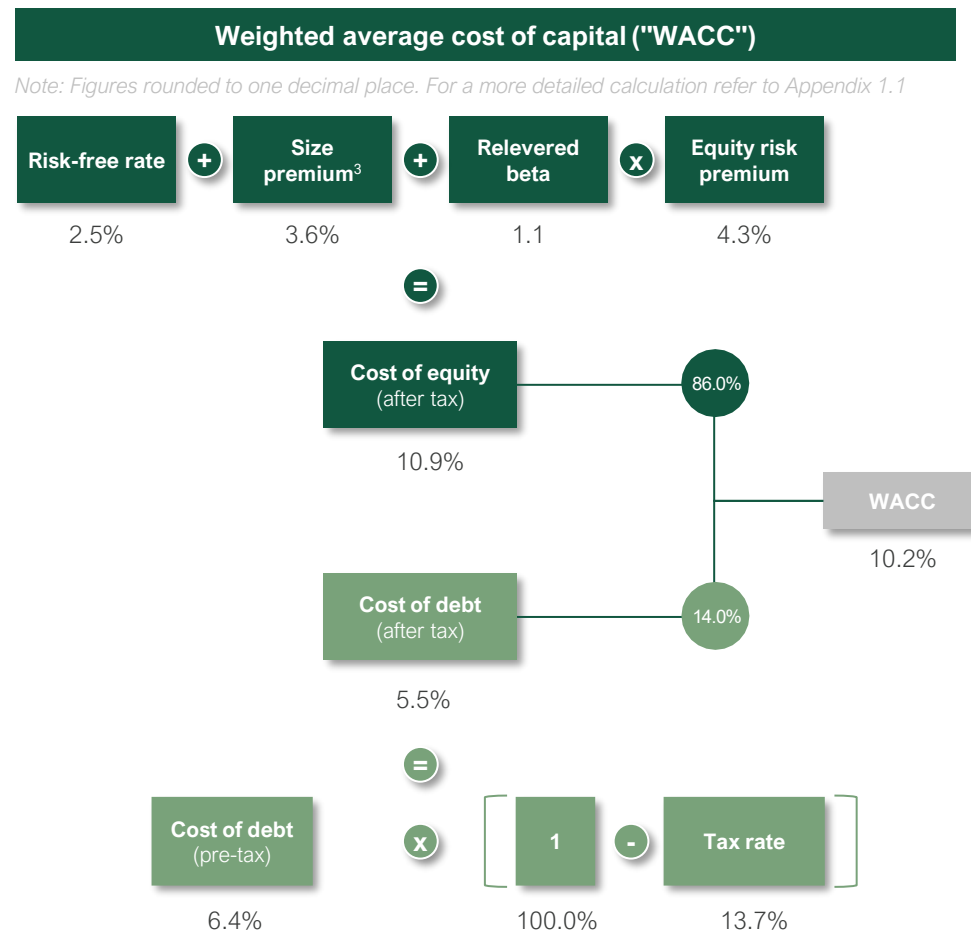
- **Risk-free interest rate:** Since ZM generates a significant portion of its turnover outside of Switzerland, a turnover-weighted risk-free interest rate was determined based on the current yield of the respective 10-year government bonds<sup>2</sup>.
- **Size premium:** An average size premium of 3.6%<sup>3</sup> has been added.
- **Beta:** The unlevered beta was determined based on an industry beta derived from a defined peer group (see Appendix 1.2 for further details) and stood at 0.98. The average unlevered beta was then "relevered" and adjusted using ZM's target capital structure resulting in a relevered beta of 1.1.
- **Equity risk premium (ERP)**<sup>4</sup>: An equity risk premium of 4.3% was applied.

##### Cost of debt

- **Cost of debt (pre-tax):** The pre-tax cost of debt has been determined based on the industry average of 59 comparable companies<sup>5</sup>, reflecting typical financing conditions within the sector.
- **Tax rate:** A tax rate of 13.7% was applied for the calculation of the after-tax cost of debt, which corresponds to ZM's statutory ETR in FY2024A.

##### Target capital structure

- According to discussions with ZM's management, the long-term target capital structure is assumed to remain stable at around current levels with an equity ratio of ~86% and (interest-bearing) debt ratio of ~14%. The debt/equity ratio has remained relatively stable over the last three years.



Source: Damodaran; J.P. Harrington, C. Nunes, A. Aboulamer "Valuation Handbook – International guide to cost of capital", 2023 Summary Edition; Notes: 1. Please refer to appendix 1.1 for further details; 2. Turnover-weighted calculation based on three main regions: Germany, Switzerland, and Italy; 3. The applied size premium represents the average of the indicated range provided by Harrington et al. (2023); 4. Definition ERP as per Damodaran – see further details in Appendix 1.1; 5. Represents industry peer group as determined by Damodaran.

## DCF ANALYSIS (3/5)

### Business Plan assumptions

#### Business Plan assumptions

##### General comment

- The valuation is based on the Business Plan prepared by ZM's management, which covers the period ranging from FY2025B to FY2030P. The underlying planning assumptions were reviewed for plausibility. To this end, targeted discussions were held with management, its advisors, KPMG (provider of the financial factbook and independent business review) and the assumptions were compared against ZM's historical pro forma results.
- An effective tax rate of 13.7% is assumed for the entire forecast period, consistent with historically observed effective tax rates.
- This resulted in the following assumptions with respect to the Business Plan.

##### Top-line assumptions (turnover and production value) FY2025B – FY2030P

- An average annual turnover growth of 7.8% is forecasted over the Business Plan period. This growth is driven by ZM's best-in-class quality and its unique position as one of the few global players capable of meeting such high standards. As a result, turnover for both TE and TS is expected to return to levels comparable to FY2021 and FY2022A.
- Following the new management's strategic decision to retain only the TE and TS business units, the forecast exclusively reflects these two segments. Each unit has been projected separately, with both contributing to overall company performance.
- TE is expected to slightly outperform TS on a top-line basis. The volume forecast and pricing assumptions have been discussed with management and benchmarked against historical levels. The main driver of top-line growth is the business unit TE where volumes are expected to grow with a CAGR of ~10% over the BP period driven by continued demand in the market and return to historical production levels. TS is forecasted to grow volumes with a CAGR of ~5% over the BP period.

The two remaining business units TSS and CM were not forecasted as the management under new ownership made the decision to discontinue such operations. Hence no forecast was included in the current Business Plan.

##### Contribution margin (FY2025B – FY2030P)

- The contribution margin represents the residual income obtained by subtracting total variable costs from total production value
- The average contribution margin over the forecast period amounts to c. 30% (historically<sup>1</sup> at ~25%). On a pro-forma basis, it increases from ~19% in FY2025B to ~34% in FY2030P.
- The margin expansion through the Business Plan period is primarily driven by a targeted focus on enhancing operational efficiency of the two remaining business units, coupled with (i) cost savings in personnel expenses, which are expected to slightly decline both in absolute headcount terms and as a percentage of production value<sup>2</sup>. While external costs (including raw materials, sub-supplies, and other direct expenses) are expected to increase in absolute terms, they are projected to grow at a slower pace than turnover, as ZM anticipates being able to partially pass on these cost increases to its customers.

##### EBITDA (FY2025B – FY2030P)

- Over the forecast period, EBITDA is expected to remain negative in FY2025 and decline further in absolute terms before turning positive for the first time in FY2026P. From then on, the EBITDA margin is projected to gradually rise from around 4% (FY2026P) to ~8% of turnover by FY2030P.

Source: Management information, KPMG financial and tax factbook for FY2024; Note: 1. FY2021A-2024A; 2. Total value of goods and services produced, including semi-finished and finished products as well as other income.

## DCF ANALYSIS (4/5)

### Business Plan assumptions

#### Business Plan assumptions

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##### Capex, depreciation and amortization, and NWC (FY2025B – FY2030P)

- During the forecast period, capital expenditures are projected to gradually increase from 0.5% to approximately 2.5% of production value. For comparison, Capex historically averaged 3.7% of production value over the period ranging from FY2021A–FY2024A.
- Depreciation and amortization are projected to outpace capital expenditures, primarily reflecting management's strategic decision to limit capex to preserve liquidity and alleviate cash flow pressure.
- The development of net working capital is based on management's expectations on working capital during the forecast period. On average, net working capital (includes trade and other working capital) is projected to be 47.1% of the production value (average over the forecast period). For comparison, historical levels averaged 49% over the period ranging from FY2021A–FY2024A.

## DCF ANALYSIS (5/5)

### Valuation considerations

#### Valuation of ZM

##### General approach

- The DCF analysis, based on the management-provided Business Plan, was used as the primary valuation method to assess the value of ZM's operating business. However, it should not be viewed as the sole basis for determining the appropriate enterprise value ("EV") and equity value for the entire business. The transaction scope also includes significant non-operating real estate, which is excluded from the DCF but incorporated in the EV to Equity Bridge (see p. 24/25 for further details).

##### Valuation assumptions

- Valuation date: 16 September 2025
- Currency: CHF
- Net debt as per 31/12/2024: CHF 5.9m
- WACC: 10.2%
  - Risk-free rate: 2.5%
  - Cost of equity (after-tax): 10.9%
  - Cost of debt (after-tax): 5.5%
  - D/E ratio: ~16%
- Outstanding number of shares ("NOSH"): 70'200
- Turnover growth until FY2030P: 7.8% CAGR
- TV growth rate: 2.0%
- Average contribution margin (FY2025B – FY2030P): 30.7%
- Effective tax rate: 13.7%
- Capex (FY2025B-FY2030P): Beginning at 0.5% and gradually increasing to approx. 2.5% of production value
- Average NWC consisting of (FY2025B – FY2030P): 47.1% of production value

#### DCF results

- The DCF analysis results in an EV of CHF 5.1m for the operating business as of the financial reference date, 31 December 2024, split into the sum of present value ("PV") of the FCFs of CHF (2.7m) and a present value of the terminal value ("TV") of CHF 7.8m (equaling 153% of total EV), which was calculated using the Gordon Growth Model applying terminal growth rate of 2.0% and a WACC of 10.2%
- To derive at the equity value as per 31 December 2024, net debt of CHF 5.9m was deducted resulting an equity value of CHF (0.8)m. Further, this value was forward compounded at the cost of equity of 10.9% to derive the equity value as of the valuation date, 16 September 2025, yielding a value of (0.9)m.

#### Calculation of the value of the operating business of ZM

EV to Equity Bridge	CHFm
Sum of present value of FCF	(2.7)
Present value of terminal value	7.8
<b>Enterprise value ("EV") of operating business per 31/12/2024</b>	<b>5.1</b>
Net debt as per 31/12/2024	(5.9)
<b>Equity value per 31/12/2024</b>	<b>(0.8)</b>
<b>Equity value per 16/09/2025</b>	<b>(0.9)</b>

## REAL ESTATE VALUATION

**Due to the significance of the real estate, a detailed valuation has been conducted by an independent, local real estate valuation expert**

### Valuation assumptions of the real estate owned by ZM

#### Independent real estate valuation by G. Vago

- Given the significant contribution of real estate to the overall ZM business and total EV, an independent valuation was performed by G. Vago, a local real estate valuation expert with extensive experience in assessing property values in the Canton of Vaud, Switzerland.
- The real estate analysis covered both the existing assets, including buildings, outdoor areas, parking, and mixed-use spaces, and the unused land with development potential. Property values were determined by capitalizing market-equivalent net rents, while also factoring in estimated costs for demolition, reconstruction, and re-letting. The assessment further considered potential environmental liabilities, including provisions for pollution and compensation related to the de-installation of the extensive photovoltaic system.

#### Development potential

- An undeveloped land parcel within the ZM site offers potential for future development. G. Vago assessed its value potential at CHF 15.9m, based on a weighted analysis of various development scenarios.

#### Distinction between operating and non-operating real estate

- It was essential to clearly distinguish between properties directly used by the owner company and non-operational properties, such as buildings leased to third parties or no longer fit for use, to accurately assess the total value of the company and its equity.

#### Deductions

- G. Vago identified a potential pollution risk at the site resulting from ZM's steel operations. Based on comparable cases in the region, a provision of CHF 6.5m was assumed to account for potential environmental remediation.

- In addition, G. Vago estimated a negative impact of CHF 3.3m related to the de-installation of the photovoltaic system, which cover more than 20'000 sqm. Several roofs lack the remaining lifespan to adhere to the photovoltaic installation agreement.

#### Summary

- The gross value of the real estate is estimated at CHF 35.4m. After total deductions of CHF 9.9m, the resulting net real estate value amounts to CHF 25.5m. From this, the value of the net operating real estate, which is already reflected in the EV and is based on current and planned operational use, is deducted. This operating portion is valued at CHF 8.1m<sup>1</sup>. Accordingly, the value of the net non-operating real estate is estimated at CHF 17.4m<sup>1</sup>.

#### Real estate valuation

Item	CHFm
Interior surfaces	15.0
Exterior surfaces	0.9
Parking spaces	3.5
Development potential (value) of unused land	15.9
<b>Gross real estate value</b>	<b>35.4</b>
Provision for „decontamination“ due to polluted soil	(6.5)
Indemnification costs for the de-installation of photovoltaic installations	(3.3)
<b>Total net real estate value</b>	<b>25.5</b>
Thereof operating real estate <sup>1</sup>	8.1
Thereof non-operating real estate <sup>1</sup>	17.4

Note: 1. Please refer to Appendix 6 for further details.



## DCF WITH NON-OPERATING ASSETS ADJUSTMENT

The primary valuation method indicates an estimated per-share value in the range of CHF 98.4 to CHF 147.6

### Assumptions and explanation

- To properly assess the equity value, the DCF valuation was adjusted to reflect non-operating assets. This approach captures both (i) the value of the operating business, determined through a DCF analysis reflecting the intrinsic value of core operations; and (ii) the value of non-operating real estate assets, which were valued separately.
- As ZM does not pay rent for its premises, only the non-operating portion of the real estate was added back as part of the “non-operating assets adjustments”.
- To derive the adjusted equity value of ZM, deductions were made for the environmental provision for pollution risk, the estimated cost of de-installing the photovoltaic system, one-off restructuring costs, and the anticipated provision related to the fraud case. Information on these adjustments became known after the balance sheet date (31/12/2024) and were therefore deducted as per valuation date.

### Results

- The DCF analysis resulted in a valuation of ZM’s equity value as of the 16 September 2025 of CHF (0.9)m.
- To determine the adjusted equity value of ZM, the value of the net non-operating real estate amounting to CHF 17.4m was added. Deductions were made for a combined provision of CHF 6.9m for environmental remediation and photovoltaic system de-installation, an additional deduction of CHF 0.9m related to the fraud case as well as a deduction of CHF 0.1m for one-off restructuring costs. This resulted in an adjusted equity value of CHF 8.6m. The adjusted equity value was then divided by the number of shares outstanding (NOSH) 70'200, resulting in CHF 122.8 per share, implying a discount of 16.5% compared to Offer Price of CHF 147.1 per share.
- The DCF analysis, sensitized for  $\pm 0.25\%$  changes in the EBITDA margin and a WACC range of 9.9% to 10.4% results in an implied equity value per share in the range of CHF 98.4 to CHF 147.6, as of the valuation date.

### Non-operating assets adjustments

	CHFm
<b>Equity value per 16/09/2025</b>	<b>(0.9)</b>
Value of net non-operating real estate	17.4
Pollution provision and photovoltaic system de-installation compensation for operating real estate <sup>1</sup>	(6.9)
Fraud case provision	(0.9)
One-off restructuring costs	(0.1)
<b>Adjusted equity value</b>	<b>8.6</b>
NOSH	70'200
<b>Value per share</b>	<b>122.8</b>
<b>(Discount) to Offer Price</b>	<b>(16.5%)</b>

### Sensitivity analysis of per-share value (WACC +/- 50 basis points)

Note: all numbers are rounded to one decimal place.

Per-share value (in CHF)		WACC				
		9.7%	9.9%	10.2%	10.4%	10.7%
EBITDA Margin <sup>2</sup>	5.3%	78.6	77.6	76.5	75.5	74.5
	5.5%	102.2	100.9	99.6	<b>98.4</b>	97.1
	5.8%	125.8	124.3	<b>122.8</b>	121.2	119.8
	6.0%	149.4	<b>147.6</b>	145.9	144.1	142.4
	6.3%	173.1	171.0	169.0	167.0	165.0

Source: KPMG financial and tax factbook for FY2024A, Company information; Note: 1. See Appendix 6 for a detailed breakdown of the deductions; 2. Reflects average EBITDA margin from 2026P to 2030P (+/- 50 basis points).

## ANALYSIS OF COMPARABLE COMPANIES AND TRANSACTIONS (1/2)

Comparable trading companies indicate a value per share range of CHF 127.8 – 143.8

### Trading comparables analysis

- Given the limited number of publicly listed “pure-play” peers (see Appendix 2), the comparable company set includes firms active in the broader steel industry, particularly in steel manufacturing and processing, with business models or product offerings similar to those of ZM. Based on ZM’s business model, EV to EBITDA multiples are considered the most relevant valuation metric. Due to ZM’s negative net income (also into future periods), P/E ratios were not considered.
- Due to ZM’s negative EBITDA in FY2024A/25B, EV to EBITDA multiples were derived from market capitalisations as of the valuation date (16 September 2025) and FY2026E<sup>1</sup> consensus EBITDA estimates (see Appendix 2). The resulting EV has been discounted to the 31 December 2024 at ZM’s WACC of 10.2%. To derive at the equity value as per 31 December 2024, net debt of CHF 5.9m (as per 31 December 2024) was deducted.
- To derive at the equity value as per the valuation date, 16 September 2025, the equity value was forward compounded at the cost of equity of 10.9%. Further, the equity value was adjusted by adding net non-operating real estate amounting to CHF 17.4m and deducting other adjustments totalling CHF (7.9)m. The resulting adjusted equity value was then divided by 70’200 diluted shares, yielding an implied per-share value ranging from CHF 132.4 (first quartile) and CHF 159.7 (median).
- To account for ZM’s illiquid nature (see Appendix 7), an illiquidity discount<sup>2</sup> has been applied to reflect its market illiquidity. Applying a range of 10% to 20% of illiquidity discount to the median, in line with literature and the illiquidity discount analysis outlined in Appendix 8, results in an implied share price range of CHF 127.8 to CHF 143.8.

### Calculation of the value per share – EV to Equity Bridge

CHFm	1st quartile	Median
FY2026E EBITDA	1.6	1.6
Trading multiple (x)	4.3x	5.7x
<b>Enterprise value (FY2026)</b>	<b>7.0</b>	<b>9.1</b>
<b>Enterprise value (discounted to 31/12/2024)</b>	<b>5.7</b>	<b>7.5</b>
Net debt as per 31/12/2024	(5.9)	(5.9)
<b>Equity value as per 31/12/2024</b>	<b>(0.2)</b>	<b>1.6</b>
<b>Equity value as per 16/09/2025</b>	<b>(0.2)</b>	<b>1.7</b>
Value of net non-operating real estate	17.4	17.4
Pollution provision and PV installation compensation for operating real estate	(6.9)	(6.9)
Fraud case Provision	(0.9)	(0.9)
One-off restructuring costs	(0.1)	(0.1)
<b>Adjusted equity value as per 16/09/2025</b>	<b>9.3</b>	<b>11.2</b>
NOSH (absolute)	70’200	70’200
<b>Implied value per share (in CHF) as per 16/09/2025</b>	<b>132.4</b>	<b>159.7</b>
<b>Implied value per share (in CHF) incl. illiquidity discount of 10%<sup>2</sup></b>	<b>119.2</b>	<b>143.8</b>
<b>Implied value per share (in CHF) incl. illiquidity discount of 20%<sup>2</sup></b>	<b>105.9</b>	<b>127.8</b>

Source: S&P Capital IQ; Note: 1. ZM’s earnings expected to normalize in FY2026E; accordingly, EV/EBITDA multiples for FY2026E have been applied; 2. Please refer to Appendix 8 for further details.

## ANALYSIS OF COMPARABLE COMPANIES AND TRANSACTIONS (2/2)

Comparable transactions indicate a value per share range of CHF 146.0 – 155.2

### Precedent transactions analysis

- To assess comparable M&A deal valuations, relevant transactions in the European and North American steel tubes and pipes sector were analysed. The analysis covers the period from 2013 to 2025, excluding transactions with insufficient financial disclosure to ensure data reliability and comparability. Three separate transaction searches were conducted, covering the overall steel sector, the steel tubes segment, and the seamless steel tubes segment individually. Appendix 3 provides a detailed overview of the selected precedent transactions and applicable EV/EBITDA multiples.
- To derive an implied EV for ZM based on comparable transactions, ZM's FY2026E EBITDA has been used as the basis in the calculations, as the company is projected to achieve positive EBITDA for the first time in that year. Thus, the FY2026E EBITDA has been multiplied with the median transaction multiple of the selected transactions (see Appendix 3 for further details). The resulting EV has then been discounted to the 31 December 2024 at the firm's WACC of 10.2%.
- To derive the equity value as of 31 December 2024, net debt of CHF 5.9m was deducted, and the resulting value was then compounded forward to the valuation date, 16 September 2025 using the firm's cost of equity of 10.9%. Further, the equity value was then adjusted with non-operating assets, notably addition of net non-operating real estate amounting to CHF 17.4m and deductions of CHF 7.9m accounting for other adjustments (same principle applied as on p. 26). The resulting adj. equity value was then divided by 70'200 diluted shares, yielding an implied per-share of CHF 182.5 (median).
- To account for typical control premiums paid in M&A transactions, a deduction has been applied to the implied value per share in the range of 15% to 20%<sup>1</sup> resulting in an implied share price range of CHF 146.0 to CHF 155.2.
- However, in absence of recent transactions, "limited" comparability to ZM and considering that the selected transactions are of substantially larger size, the resulting share price range should be interpreted with caution.

Source: S&P Capital IQ, 1. Damodaran, A. (2005). The value of control. NYU Stern School of Business.

### Calculation of the value per share – EV to Equity Bridge

CHFm	
	Median
FY2026E EBITDA	1.6
Transaction multiple (x)	6.8x
<b>Enterprise value (FY2026)</b>	<b>10.9</b>
<b>Enterprise value (discounted to 31/12/2024)</b>	<b>9.0</b>
Net debt as per 31/12/2024	(5.9)
<b>Equity value as per 31/12/2024</b>	<b>3.1</b>
<b>Equity value as per 16/09/2025</b>	<b>3.3</b>
Value of net non-operating real estate	17.4
Pollution provision and PV installation compensation for operating real estate	(6.9)
Fraud case Provision	(0.9)
One-off restructuring costs	(0.1)
<b>Adjusted equity value as per 16/09/2025</b>	<b>12.8</b>
NOSH (absolute)	70'200
<b>Implied value per share (in CHF) as per 16/09/2025</b>	<b>182.5</b>
<b>Implied value per share (in CHF) assuming control premium of 15%<sup>1</sup></b>	<b>155.2</b>
<b>Implied value per share (in CHF) assuming control premium of 20%<sup>1</sup></b>	<b>146.0</b>

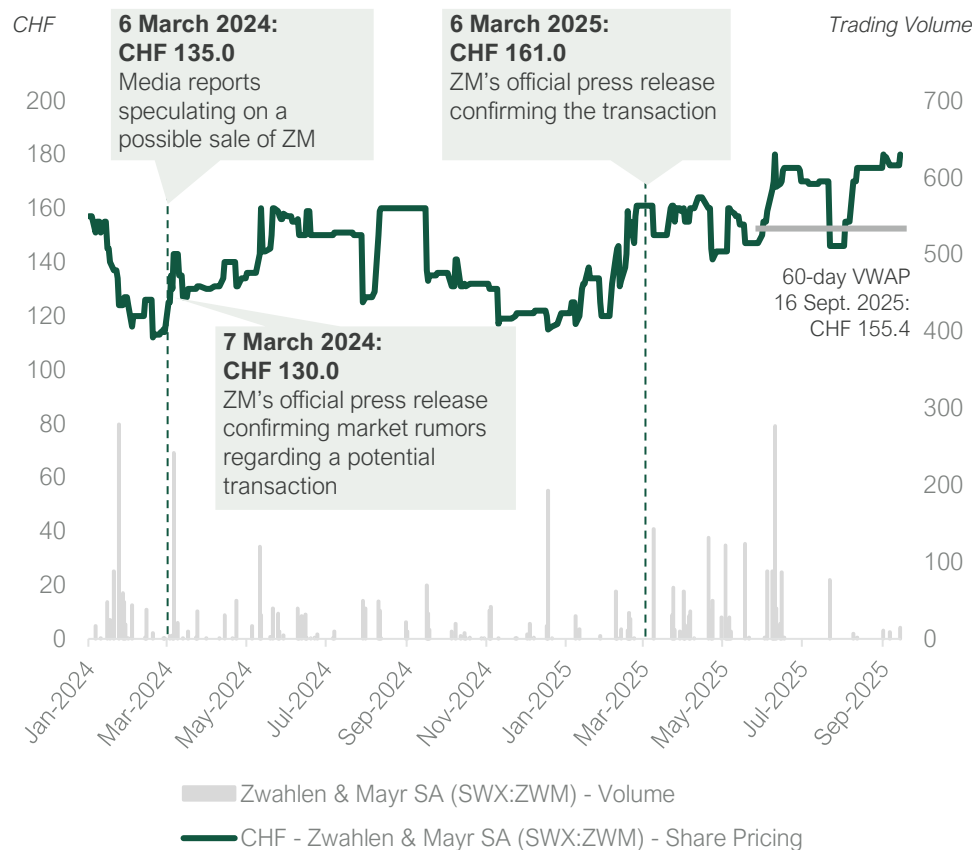
## SHARE PRICE ANALYSIS

ZM shares traded between CHF 115 and CHF 180 over the last twelve months with a 60-day VWAP of CHF 155.4 as per 16 September 2025.

### Share price and trading volume development of ZM

- The chart on the right illustrates the historical share price performance and trading volume of ZM from 1 January 2024 through 16 September 2025.
- Media reports speculating on a possible sale of ZM first emerged on 6 March 2024. The following day, on 7 March 2024, ZM officially confirmed the rumors concerning a potential transaction. The closing share price as of 6 March 2025, the day before the official communication of the APP, stood at CHF 161.0.
- Over the last twelve months prior to 16 September 2025, ZM's share price increased by 13%, trading within a range of CHF 115.0 (LTM Min) to CHF 180.0 (LTM Max), with an average price of CHF 147.7.
- Given the limited trading volume of ZM shares, a liquidity analysis was performed as set out in the TOB Circular No. 2 of 26 February 2010 on liquidity in the context of takeover law, which regulated the conditions under which a security is considered liquid in terms of Art. 40 para. 4 SESTO-FINMA. Please refer to Appendix 7 for the details on the performed liquidity analysis.
- As a result of the analysis, the market price of the shares remains unconsidered for the purpose of assessing the fairness of the Public Takeover Offer, as the stock is classified illiquid.
- The Public Takeover Offer qualifies as a voluntary offer, as it was made following the indirect acquisition of 81.47% of ZM's voting rights, which was, as confirmed in a no-action letter of the Swiss Takeover Board, exempt from the duty to launch a mandatory takeover offer under art. 136 para. 2 FMIA. Therefore, the minimum price rule does not apply and was not taken into consideration.
- Based on our analysis of Swiss public takeover transactions, observed takeover premiums on the 60-day VWAP range from 9.8% (first quartile) to 23.5% (median), with an average premium of 28.3%. However, due to the illiquid nature of ZM shares, we have refrained from placing emphasis on the share price and takeover premium analysis.

### Share price (in CHF) and traded volume



## FAIRNESS OPINION ZWAHLEN & MAYR S.A.

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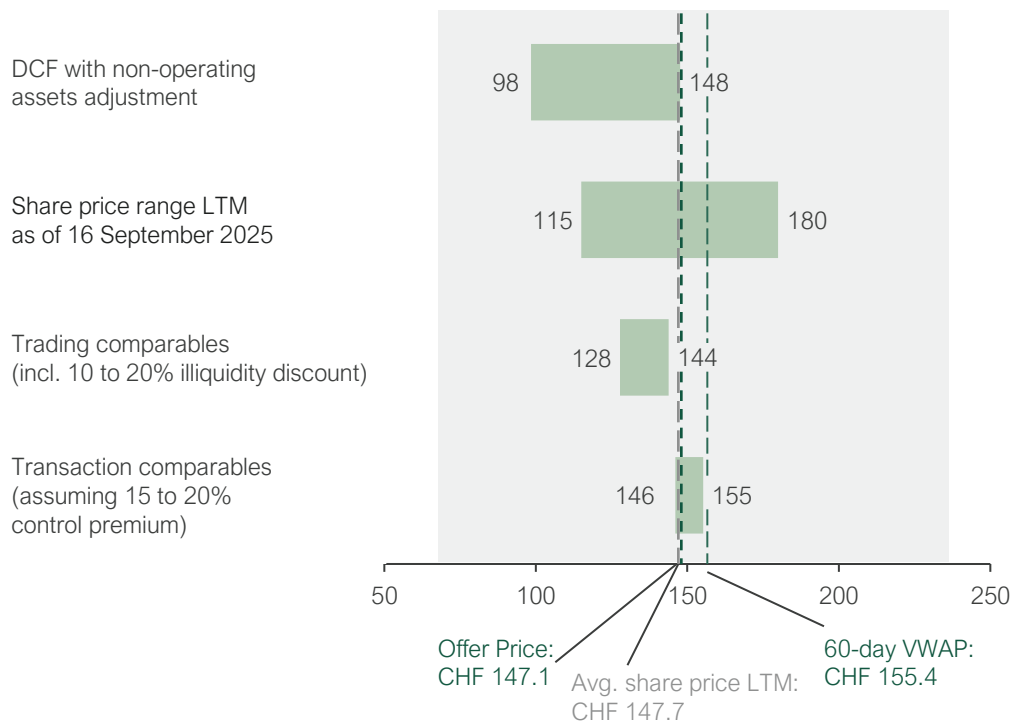
## RESULT OF THE FAIRNESS OPINION (1/2)

**The applied valuation methods (DCF and share price analysis) support the Offer Price of CHF 147.1 on a stand-alone and going-concern basis**

### Valuation assessment

- The primary valuation method applied was a DCF valuation, adjusted for non-operating assets (non-operating real estate) and other adjustments. To support and validate the results, selected market-based approaches were also applied, including trading and transaction multiples and analysis of the share price of the last twelve months ("LTM").
- The valuation date is 16 September 2025. The DCF analysis, including non-operating real estate, results in a valuation range of CHF 98.4 to CHF 147.6 per share. The Offer Price of CHF 147.1 is at the higher end of the DCF valuation range.
- As of the valuation date, the LTM average share price was CHF 147.7 and the 60-day VWAP stood at CHF 155.4. However, due to the illiquidity of ZM shares, these values are considered of lesser importance for the purpose of assessing the fairness of the Public Takeover Offer.
- Comparable trading multiples applied to FY2026E EBITDA imply a valuation range of CHF 127.8 to CHF 143.8 per share, including an illiquidity discount ranging from 10% to 20% to the median multiple. Comparable transaction multiples were also reviewed resulting in an implied equity value per share of CHF 146.0 to CHF 155.2 assuming an implied control premium of 15 to 20%. However, given the limited comparability to ZM they are considered of lesser importance in the Fairness Opinion.
- For completeness, both the net asset value ("NAV") and the adjusted NAV (reflecting real estate at market values) were reviewed. These approaches result in significantly higher equity values. However, since the transaction is assessed on a going-concern basis, a liquidation-based valuation is not considered appropriate, therefore it does not account for funding requirements related to negative FCFs or potential discounts on fixed assets.

### Valuation summary (value per share in CHF)



## RESULT OF THE FAIRNESS OPINION (2/2)

The applied valuation methods (DCF and share price analysis) support the Offer Price of CHF 147.1 on a stand-alone and going-concern basis

### Summary statement

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- Based on the valuation range of CHF 98.4 to CHF 147.6 per ZM share, derived from the DCF analysis as per 16 September 2025 and adjusted for non-operating assets to appropriately reflect the value of the real estate, the Offer Price of CHF 147.1 per ZM share is considered fair and adequate from a financial perspective, on a stand-alone and going-concern basis.
- Under Swiss takeover law, ZM shares are classified as illiquid, making the share price analysis less relevant for this assessment.
- The Public Takeover Offer qualifies as a voluntary offer. Consequently, the minimum price rule does not apply.
- The value derived from the DCF valuation currently falls below the net asset value amount. However, since SITINDUSTRIE Suisse S.A. (GBSA) intends to continue ZM's operations, a liquidation-based valuation is not considered relevant for the purpose of this Fairness Opinion.



**Jan Wetter**  
Partner



**Dr. Christoph Studinka**  
Partner

## FAIRNESS OPINION ZWAHLEN & MAYR S.A.

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## APPENDIX 1.1

### Overview Weighted Average Cost of Capital ("WACC")

WACC Components	Value	Description	Source
Risk-free rate ( $r_f$ )	2.51%	Turnover-weighted risk-free interest rate based on the current 10-year government bond yields of Germany, Italy and Switzerland.	Bloomberg, Company Information
Equity Risk Premium (ERP)	4.33%	The sum of a country specific default spread and the U.S. market equity risk premium as of January 2025.	Damodaran
Beta (unlevered, $\beta_U$ )	0.98	5-year levered Betas <sup>1</sup> , based on a selected group of publicly traded comparable steel companies operating in the same industry, adjusted to remove the impact of financial leverage to reflect the firm's business risk independent of its capital structure.	S&P Capital IQ
Beta (relevered, $\beta_L$ )	1.12	Formula: $\beta_L = \beta_U \times [1 + ((D / E) \times (1-t))]$	Modigliani & Miller
Size premium ( $r_{sp}$ )	3.55%	Additional return required by investors to compensate for the higher risk associated with investing in small-cap companies. The size premium reflects the average of premiums observed across size-based portfolios.	J.P. Harrington, C. Nunes, A. Aboulamer "Valuation Handbook – International guide to cost of capital", 2023 Summary Edition
<b>Cost of equity (after-tax, <math>r_e</math>)</b>	<b>10.93%</b>	<b>Formula: <math>r_e = r_f + (\beta_L \times ERP) + r_{sp}</math></b>	
Cost of debt (pre-tax, $r_{d \text{ pre-tax}}$ )	6.36%	Pre-tax cost of borrowing for the steel sector, estimated based upon the standard deviation of equity.	Damodaran
Tax rate (t)	13.69%	Long term statutory tax rate.	Company Information
<b>Cost of debt (after-tax, <math>r_d</math>)</b>	<b>5.49%</b>	<b>Formula: <math>r_d = (r_{d \text{ pre-tax}}) \times (1-t)</math></b>	
Equity ratio ( $W_e$ )	86.01%		Company Information
Debt ratio ( $W_d$ )	13.99%	Only considering interest-bearing debt.	Company Information
<b>WACC (<math>r_w</math>)</b>	<b>10.17%</b>	<b>Formula: <math>r_w = W_d \times r_d + W_e \times r_e</math></b>	

Source: Kroll; Note: 1. Levered historical betas are derived from an ordinary least squares regression analysis using individual stock and benchmark index returns over the last 5 years.

## APPENDIX 1.2

### Calculation of unlevered Beta (peer group)

Company	HQ Country	Levered Beta	Debt	Market Cap	Tax Rate	Debt/Equity Ratio	Unlevered Beta
			EURm	EURm	in %	in %	
Alleima AB	Sweden	1.1	120	1'615	20.6%	7.4%	1.1
Salzgitter AG	Germany	2.0	1'722	1'210	30.0%	142.3%	1.0
Tubacex S.A.	Spain	1.0	531	459	25.0%	115.8%	0.6
Aperam S.A.	Luxembourg	1.7	1'382	1'957	24.9%	70.6%	1.1
Nucor Corporation	United States	1.8	5'841	28'135	25.0%	20.8%	1.5
Acerinox S.A.	Spain	1.1	2'365	2'674	25.0%	88.4%	0.7
Outokumpu Oyj	Finland	1.3	477	1'628	20.0%	29.3%	1.0
Severfield plc	United Kingdom	0.9	95	112	25.0%	84.9%	0.6
Billington Holdings Plc	United Kingdom	0.4	2	54	25.0%	3.7%	0.4
Average		1.27			24.5%		0.89
Median		1.15			25.0%		0.98

Note: The resulting unlevered beta value of the defined peer group (0.98) is in line with Damodaran's industry beta of 0.93.

## APPENDIX 2

### Trading multiples of comparable companies (peer group)

Company	HQ Country	Market Cap	EV	EBITDA Margin LTM	EV/Revenue Multiple		EV/EBITDA Multiple	
		EURm	EURm	in %	FY2025E	FY2026E	FY2025E	FY2026E
<b>Alleima AB</b>	Sweden	1'604	1'605	11.3%	0.9x	0.9x	6.5x	5.7x
<b>Salzgitter AG</b>	Germany	1'240	2'202	2.0%	0.2x	0.2x	6.0x	3.3x
<b>Tubacex S.A.</b>	Spain	464	956	16.0%	1.1x	1.0x	7.5x	6.1x
<b>Aperam S.A.</b>	Luxembourg	1'957	3'115	4.4%	0.5x	0.4x	7.4x	5.1x
<b>Nucor Corporation</b>	United States	27'628	32'304	11.6%	1.2x	1.1x	8.6x	7.2x
<b>Acerinox S.A.</b>	Spain	2'702	3'955	5.7%	0.7x	0.6x	8.3x	5.8x
<b>Outokumpu Oyj</b>	Finland	1'622	1'792	1.7%	0.3x	0.3x	7.5x	4.3x
<b>Severfield plc</b>	United Kingdom	109	183	-1.1%	0.0x	0.4x	0.0x	7.6x
<b>Billington Holdings Plc</b>	United Kingdom	52	29	10.8%	0.2x	0.2x	2.7x	2.4x
<b>Average</b>					<b>0.6x</b>	<b>0.6x</b>	<b>6.1x</b>	<b>4.3x</b>
<b>Median</b>					<b>0.5x</b>	<b>0.4x</b>	<b>7.4x</b>	<b>5.7x</b>

Source: S&amp;P Capital IQ, as of 16 September 2025.

## APPENDIX 3

### Overview of comparable transactions

Date	Target	Country	Investor	Description	EV (in EURm)	EV/EBITDA
18 Dec. 2023	United States Steel Corporation	US	Nippon Steel North America, Inc.	Produces flat-rolled and tubular steel products	13'820	6.8x
20 July 2021	Hannibal Industries, Inc.	US	Nucor Corporation	Manufactures carbon steel tubing and pallet racking systems	314	6.9x
9 March 2021	Public Joint Stock Company Chelyabinsk Pipe Plant	RU	PAO TMK	Produces welded and seamless steel pipes for oil & gas	2'003	6.4x
3 Dec. 2019	AK Steel Holding Corporation	US	Cleveland-Cliffs Inc.	Produces flat-rolled carbon, stainless, and electrical steel (auto, infra, energy)	3'250	4.6x
22 March 2019	IPSCO Tubulars Inc.	US	Tenaris S.A.	Manufacturer of steel pipes	980	6.7x
11 Jan. 2019	Alchemia S.A.	PL	Impexmetal S.A.; Borysiewicz S.A.	Produces seamless steel pipes and specialized products	241	10.4x
15 March 2018	Ovako Group AB	SE	Nippon Steel & Sumitomo Metal Corporation	Manufacturer of engineering steel	646	7.0x
<b>Average</b>					<b>3'036</b>	<b>7.0x</b>
<b>Median</b>					<b>980</b>	<b>6.8x</b>

## APPENDIX 4

### Overview of selected public takeover premia in the Swiss market (1/2)

Year	Target	Buyer	Offer Price (in CHF)	Takeover Premium
2023	Datacolor AG	Werner Dubach	760.0	15.1%
2023	Von Roll Holding AG	Elantas GmbH	0.8	2.4%
2023	Crealogix Holding AG	Vencora UK Limited	60.0	21.3%
2022	Bobst Group S.A.	JBF Finance S.A.	78.0	11.9%
2022	Valora Holding AG	Impulsora de Marcas e Intangibles, S.A.	260.0	57.3%
2021	Vifor Pharma AG	CSL Behring AG	167.4	41.6%
2020	Sunrise	Liberty Global plc	110.0	32.3%
2019	CEVA	CMA CGM S.A	30.0	48.2%
2019	Alpiq Holding AG	Schweizer Kraftwerksbeteiligungs AG	70.0	(3.4%)
2018	Hügli Holding AG	Bell Food Group AG	915.0	14.4%
2017	Actelion Ltd	Janssen Holding GmbH (Johnson & Johnson)	280.0	46.4%
2017	Pax Anlage AG	Basler Leben AG	1'600.0	18.6%
2017	LifeWatch AG	Cardiac Monitoring Holding Company (BioTelemetry)	14.0	40.7%
2016	Kuoni Reisen Holding AG	Kiwi Holding IV Sarl (EQT)	370.0	34.1%
2016	Syngenta AG	CNAC Saturn (NL) B.V. (ChemChina)	488.9	31.9%
2016	gategroup Holding AG	HNA Aviation Air Catering Holding Co.	53.0	37.0%
2016	Charles Vögele AG	Sempione Retail AG (OVS)	6.3	0.0%
2016	Looser Holding AG	AFG Arbonia-Foster Holding AG	106.8	58.0%
2015	Micronas Semiconductor Holding AG	TDK Corporation	7.5	70.5%

List continues on the next page

Note: Takeover premia are calculated over the 60-day VWAP. Given the stock's illiquidity and the resulting limited significance of its share price, premia analysis has not been considered further.

## APPENDIX 4

### Overview of selected public takeover premia in the Swiss market (2/2)

Year	Target	Buyer	Offer Price (in CHF)	Takeover Premium
2014	Swisslog Holding	KUKA Aktiengesellschaft	1.3	14.4%
2014	Advanced Digital Broadcast Holdings S.A.	4T S.A.	15.5	20.2%
2014	Nobel Biocare Holding AG	Danaher Corporation	17.1	6.7%
2014	National Versicherung	Helvetia Holding AG	80.0	33.2%
2014	Publigroupe S.A.	Swisscom	214.0	73.4%
2013	Absolute Invest AG	Alpine Select AG	28.5	3.3%
2013	Victoria-Jungfrau Collection AG	AEVIS Holding S.A.	310.0	69.9%
2013	Acino Holding AG	Pharma Strategy Partners GmbH	115.0	52.8%
2013	Fortimo Group AG	Forty Plus AG, Fortimo Group	136.0	19.0%
2013	Tornos Holding AG	Walter Fust	4.7	3.8%
2012	Uster Technologies AG	Toyota Industries Corporation	44.0	39.7%
2011	Genolier Swiss Medical Network S.A.	M.R.S.I.	19.0	7.7%
2011	Newave Energy Holding S.A.	ABB Schweiz AG	56.0	36.1%
2011	Escor Casinos & Entertainment AG	Highlight Communications AG	17.5	0.4%
2011	Schulthess Group AG	NIBE Industrier AB	59.2	23.5%
2011	Feintool International Holding AG	Artemis Beteiligungen III AG	350.0	7.1%
2011	Edipresse S.A.	Lamunière S.A., Epalinges, Suisse; bearer shares	450.0	38.6%
2011	EGL AG	Axpo Holding AG	850.0	20.8%
<b>Average</b>				<b>28.3%</b>
<b>Median</b>				<b>23.5%</b>

Note: Takeover premia are calculated over the 60-day VWAP. Given the stock's illiquidity and the resulting limited significance of its share price, premia analysis has not been considered further.

## APPENDIX 5

### Net debt

#### Net debt – as per 31.12.2024

Item	CHFm
Cash and cash equivalents	1.3
Short-term financial liabilities	(4.9)
Short-term leasing liabilities	(0.6)
Long-term financial liabilities	(0.4)
Long-term leasing liabilities	(1.2)
<b>Net debt</b>	<b>(5.9)</b>

*Note: Net debt as per 31.12.2024 as these are the last audited financial statements available and used as basis in the financial factbook.*

## APPENDIX 6

### Real estate

#### Operating real estate breakdown

Item	CHFm
Interior surfaces	10.6
Exterior surfaces	3.5
Parking spaces	0.9
<b>Gross operating real estate value</b>	<b>15.0</b>
Provision for „decontamination“ due to polluted soil	(4.6)
Indemnification costs for the de-installation of photovoltaic installations	(2.4)
<b>Total deductions</b>	<b>(6.9)</b>
<b>Total net operating real estate value</b>	<b>8.1</b>

#### Non-operating real estate breakdown

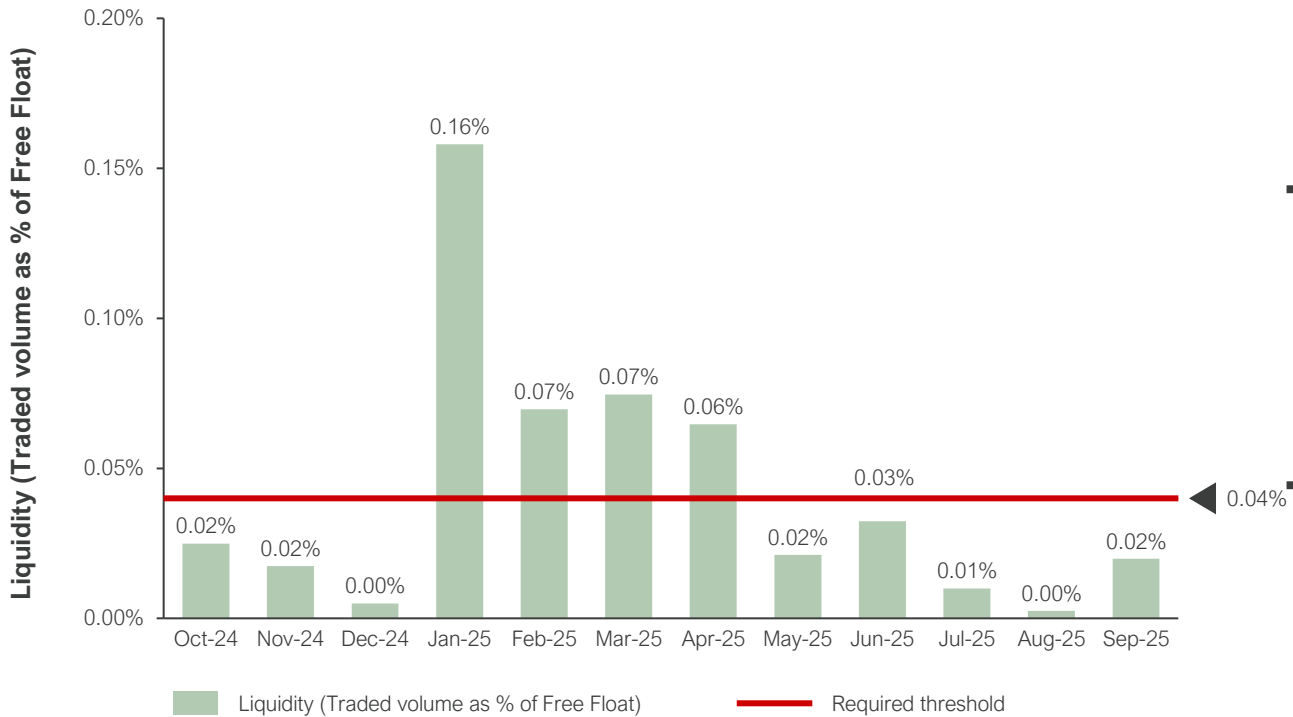
Item	CHFm
Interior surfaces	4.4
Development potential (value) of unused land	15.9
<b>Gross non-operating real estate value</b>	<b>20.3</b>
Provision for „decontamination“ due to polluted soil	(1.9)
Indemnification costs for the de-installation of photovoltaic installations	(1.0)
<b>Total deductions</b>	<b>(2.9)</b>
<b>Total net non-operating real estate value</b>	<b>17.4</b>

Note: An independent real estate valuation was performed by G.VAGO dated 8 July 2025.



APPENDIX 7  
Liquidity analysis

Liquidity analysis – Traded volume as % of Free Float (Median)



Explanation

- Given the limited trading volume of ZM shares, a liquidity analysis was performed as set out in the TOB Circular No. 2 of 26 February 2010 on liquidity in the context of takeover law, which regulated the conditions under which a security is considered liquid in terms of Art. 40 para. 4 SESTO-FINMA.
  - The specific criterion is based on the volume generated daily on exchange in relation to the free float of the security. The period under review is 12 months. If the monthly median of the daily volume of a security relative to its free float has been at least equal to 0.04% over 10 of the 12 months prior to the publication of the offer or prior announcement, the security is considered liquid. Securities which belong to the SLI are considered liquid at all times.
- ◀ 0.04% The analysis (see chart on the left-hand side) concluded that ZM shares qualify as illiquid under Swiss takeover law. As a result, the market price of the shares is considered of lesser importance for the purpose of assessing the fairness of the Public Takeover Offer.

Source: Data from S&P Capital IQ, Proventis Partners Analysis.

## APPENDIX 8

### Illiquidity discount

#### Illiquidity discount analysis using the put-options model

- Based on the liquidity analysis of the share price presented in Appendix 7, ZM shares are considered illiquid. Liquidity is an important factor in valuation. From a risk perspective, investors typically pay less for an illiquid investment than for an otherwise identical investment that can be sold more easily.
- From a valuation standpoint, it is therefore widely accepted that in such cases an illiquidity discount should be applied. Typically, an illiquid investment is first valued on the assumption of full liquidity, and a discount is then applied in a second step to reflect the lack of liquidity. According to relevant academic and professional literature, such discounts usually range between 15% and 20%.<sup>1</sup>
- In addition to the commonly cited range of discounts, illiquidity discounts are often estimated using a “put option” model. The idea is that an investor holding illiquid shares effectively purchases liquidity by acquiring an option to sell the shares at market price. The price of this put option represents the discount for lack of liquidity.<sup>2</sup> We use the Black-Scholes option pricing model to quantify the illiquidity discount and support the discount range reported in the literature.
- A key input to the put option model is volatility (Elmore, 2017)<sup>3</sup>. Private company shares typically have 50 - 125% annualized volatility, while liquid listed shares, such as those in the SMI, are around 20%. Since ZM shares are listed but traded infrequently, we take the midpoint between a liquid listed share (20%) and the lower end of the private company range (50%), resulting in an assumed volatility of 35%. Using this assumption, the put option model produces an illiquidity discount of 12.5%.
- On the backdrop of the discount ranges suggested in the literature and our own calculations, we apply a discount range of 10% to 20% to the implied value calculated using trading multiples to adjust for the lack of liquidity of ZM shares. This results in an implied value of ZM after applying the illiquidity discount of CHF 127.8 (20% discount) to CHF 143.8 (10% discount) per share when applying the discount ranges to the implied mid-point values based on trading comparables (see p. 26 and Appendix 2 for further details).

#### Black scholes input parameters

Item	Abbreviation	Value
Share price as of 16 September 2025	$S_0$	180.0
Exercise price	K	180.0
Time to maturity (years)	T	1
Risk-free rate	R	2.5%
Volatility	$\sigma$	35%
<b>Put Option Wert</b>	<b>P</b>	<b>22.5</b>
<b>Illiquidity discount</b>	<b>DLOM</b>	<b>12.5%</b>

#### Sensitivity analysis using various discounts

Illiquidity discount	Implied value per share
10.0%	143.8
12.5%	139.8
15.0%	135.8
17.5%	131.8
20.0%	127.8

Source: 1. Cheridito Y., Schneller T. (2008): Discounts and Premia in der Unternehmensbewertung; 2. David Chaffe (1993), «Option Pricing as a Proxy for Discount for Lack of Marketability in Private Company Valuations», Business Valuation Review, 12, 4:182–188; 3. Elmore (2017): Determining the Discount for Lack of Marketability with Put Option Pricing Models in View of the Section 2704 Proposed Regulations, in: Insights / Winter 2017.

## APPENDIX 9

### Abbreviations

Abbreviation	Meaning
APP	Agreed Purchase Price
BP	Business Plan
CAGR	Compound annual growth rate
CAPEX	Capital expenditures (net investments)
CAPM	Capital asset pricing model
CHF	Swiss Francs
DCF	Discounted cashflow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxes, depreciation, and amortization
ERP	Equity risk premium
ETR	Effective tax rate
EUR	Euro
FCF	Free cash flow
GBSA	Groupe Bader S.A.
KPIs	Key Performance Indicators
LTM	Last twelve months
SIX	SIX Swiss Exchange is Switzerland's principal stock exchange, headquartered in Zurich
SLI	Swiss Leader Index
TIG	Tungsten Inert Gas
TOB	The Swiss Takeover Board ("TOB") is a Federal Commission established under the Federal Act on Stock Exchanges and Securities Trading of 24 March 1995. The Takeover Board shall, in each case, ensure compliance with the rules applicable to public offers.
TV	Terminal value
VWAP	Value-weighted average price describes a trading benchmark used to assess the average price a security has traded at throughout a given period, weighted by volume.
WACC	WACC represents a company's average cost of financing from all sources (debt and equity), weighted by their proportion in the capital structure. It is a key metric used in valuation models (like DCF – Discounted Cash Flow) to discount future cash flows to their present value.
ZM	Zwahlen & Mayr S.A.

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