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Report of the Board of Directors of GAM Holding Ltd. on the Partial Public Tender Offer of Newgame SA

The board of directors of GAM Holding AG (the **Board of Directors**), a corporation (*Aktiengesellschaft / société anonyme*) with registered office in Zurich, Switzerland (**GAM**; GAM together with its subsidiaries, the **GAM Group**), hereby takes position pursuant to article 132 para. 1 of the Federal Financial Market Infrastructure Act (**FinMIA**) and articles 30-32 of the Takeover Ordinance (**TOO**) on the partial public tender offer of Newgame SA, a corporation governed by the laws of Switzerland with registered office in Geneva, Switzerland (the **Offeror** or **Newgame**), for a maximum of 28,000,000 publicly held registered shares in GAM with a nominal value of CHF 0.05 each (each a **GAM Share**) listed and traded on the SIX Swiss Exchange (**SIX**) (the **Offer**). Newgame is part of the Newgame-Bruellan investor group, which also comprises Rock Investment SAS (**Rock**), a corporation (*société par actions simplifiée*) governed by the laws of France with registered office in Paris, France, as controlling shareholder (the Offeror, together with its subsidiaries, the Newgame-Bruellan investor group and Rock, the **Offeror Group**).

1. Background information

On 13 June 2023, Liontrust Asset Management PLC, with registered office in London, United Kingdom (**Liontrust**), published a public exchange offer according to articles 125 *et seq.* of the FinMIA for all publicly held GAM Shares (the **Liontrust Offer**).

On 18 July 2023, the Offeror published the pre-announcement of its partial Offer, which was succeeded by the publication of the offer prospectus on 17 August 2023 (the **Offer Prospectus**).

On 24 August 2023, Liontrust published the provisional notice of the interim result of the Liontrust Offer, according to which, a total of 53,250,357 GAM Shares were tendered into the Liontrust Offer, corresponding to a success rate of 33.45%.

On the same day, GAM announced that it had entered into constructive and productive discussions with representatives of the Offeror Group on the provision of short-term financing to GAM in the event of a withdrawal of the Liontrust Offer. The financing was intended to replace loans that Liontrust had previously granted to GAM, and which would become repayable if the Liontrust Offer was declared unsuccessful, as well as to cover GAM's short-term liquidity needs. To that end, Newgame and GAM entered into a Confidentiality Agreement (as defined in Section 5.1).

On 29 August 2023, GAM and Rock entered into a Facilities Agreement (as defined in Section 5.2) under which Rock extends short-term financing of up to CHF 20 million to cover GAM's immediate liquidity needs. The short-term financing will be replaced with the proceeds of a convertible bond of about CHF 25 million. The creation of the conditional capital required for the

issuance of the convertible bond will be proposed at an extraordinary general meeting of GAM's shareholders (the **EGM**) to be held on 27 September 2023.

On the same day, Liontrust published the final interim results of the Liontrust Offer and declared the Liontrust Offer unsuccessful and withdrawn.

On 1 September 2023, the Swiss Takeover Board (the **TOB**) published decision 853/01 of the TOB of 31 August 2023 in the case GAM Holding AG (the **Decision 853/01**), holding that one condition of the Offer as to changes of the Board of Directors of GAM is invalid and certain information in the Offer Prospectus must be amended.

On 5 September 2023, the Offeror published supplement n° 1 to the Offer Prospectus.

Upon request by Rock, GAM convened an EGM on 6 September 2023 to be held on 27 September 2023, on the occasion of which GAM's incumbent Board of Directors would step down and GAM's shareholders would be asked to vote on several proposals put forward by Rock, including (i) the appointment of a new board of directors, (ii) the creation of a conditional capital for financing purposes and (iii) the increase of the upper limit of GAM's existing capital range.

On 7 September 2023, the TOB published decision 853/02 of the TOB of 6 September 2023, by which the TOB granted GAM an extension of two trading days, *i.e.* until 11 September 2023, to publish its report of the board of directors.

The same day, the Offeror challenged the Decision 853/01 as to including the offer condition regarding the change in GAM's board composition.

2. Recommendation

After due and careful inquiry and analysis of the background information as set out under Section 1 above, the Offer, the Facilities Agreement, as well as the fact that the Offeror and Rock confirm their intention to secure sufficient financial resources to fund GAM Group's operations as a going concern, the Board of Directors has unanimously resolved to recommend to the shareholders of GAM to accept the Offer.

3. Considerations

The recommendation of the Board of Directors is based on the following considerations.

3.1 Offer Price

The offer price for each GAM Share subject to the Offer is CHF 0.55 in cash (the **Offer Price**). The Offer Price represents a premium of 31.9% to the closing price of the GAM Shares on 17 July 2023, the day preceding the publication of the pre-announcement.

4. Additional Information Required by Swiss Takeover Law

4.1 Board of Directors and Group Management Board

The Board of Directors of GAM is currently composed of David J. Jacob (Chairman), Nancy Mistretta, Katia Coudray, Jacqui Irvine, Monika Machon and Frank Kuhnke (for resignations, see Section 4.2(a)).

The Group Management Board of GAM is currently composed of Peter Sanderson (Group Chief Executive Officer), Steve Rafferty (Group Chief Operating Officer)¹ and Elmar Zumbuehl (Group Chief Risk Officer). Richard McNamara is the Group CFO, but not currently a member of the Group Management Board. The Board of Directors understands from the Offer Prospectus that the Offeror will bring on board a new CEO and executive team shortly after the EGM.

4.2 Potential Conflicts of Interest of the Members of the Board of Directors and the Group Management Board

(a) Board of Directors

The Offer has no potential financial consequences for the members of the Board of Directors except as set out in further detail in Section 4.3.

GAM and Rock have agreed in the Facilities Agreement (as defined under Section 5.2) that GAM shall procure that all members of the Board of Directors shall duly submit their resignation as board member, with effect as of the end of the EGM, and to put to a vote at the EGM the election of each individual designated by Rock as new member of the board of directors of GAM.

Under the Facilities Agreement, GAM shall further procure that all current members of the Board of Directors of GAM, exercise, always subject to the Board of Directors complying with its fiduciary duties, Swiss takeover regulations and any other applicable laws and regulations, their functions as board members of the borrower under the Facilities Agreement in accordance with the instructions given by Rock in its capacity as lender under the Facilities Agreement from time to time in respect of convening the EGM and preparing for transition in the event the proposals brought forward by Rock are approved at the EGM by GAM's shareholders.

Except as set forth in this report, (i) no member of the Board of Directors has entered into any contractual or other relationship with any member of the Offeror Group, and there is currently no intention to enter into any such relationship, (ii) no member of the Board of Directors has been elected at the request of any member of the Offeror Group or is exercising his or her function(s) on the Board of Directors following instructions from any member of the Offeror Group, (iii) no member of the Board of Directors holds any equity in the Offeror or its affiliates, and (iv) the members of the Board of Directors are neither employees nor members of any corporate body of any member of the Offeror Group or of companies having significant business relationships with

¹ Notified resignation as of the end of February 2024.

any member of the Offeror Group (other than the GAM Group, to the extent such business relationships exist).

(b) Group Management Board

The Offer has no potential financial consequences for the members of the Group Management Board except as set out in further detail in Section 4.3.

Except as set forth in this report, (i) no member of the Group Management Board has entered into any contractual or other relationship with any member of the Offeror Group, and there is currently no intention to enter into any such relationship; (ii) no member of the Group Management Board holds any equity in the Offeror or its affiliates and (iii) the members of the Group Management Board are neither employees nor members of any corporate bodies of any member of the Offeror Group or of companies having significant business relationships with the Offeror Group (other than of companies of the GAM Group, to the extent such business relationships exist).

4.3 Potential Financial Consequences of the Offer for Members of the Board of Directors and the Group Management Board

Except for the *pro rata* reduction of the compensation of the Board of Directors resulting from the resignation of all members of the Board of Directors with effect as of the end of the EGM, the Offer has no financial consequences for the members of the Board of Directors and for the Group Management Board.

No tender undertakings have been or are intended to be concluded between GAM, the Board of Directors, the Group Management Board and the Offeror.

The Offer does not have an impact on GAM's existing share-based equity plans. For the avoidance of doubt, the Board of Directors waived their right to shares under the board share plan award in 2022 and no shares were awarded to the Board of Directors in 2023.

As is usual practice, GAM has taken out an annual insurance policy for professional liability, directors' and officers' liability and fraud insurance in favor of the members of the Board of Directors and of the Group Management Board for the period until 31 July 2023. An extension of this policy was entered into prior to 31 July 2023 for a three month period to 31 October 2023.

Neither the Group Management Board nor the members of the Board of Directors will receive any additional benefits in connection with the Offer. Based on the Board of Directors' assessment, no member of the Board of Directors or of the Group Management Board is affected by any relevant potential conflicts of interest in connection with the Offer.

5. Agreements between the Offeror Group and GAM and between the Offeror Group and Shareholders of GAM Relevant for the Decision of the Board of Directors

5.1 Confidentiality Agreement

On 24 August 2023, the Offeror and GAM entered into a confidentiality agreement (the **Confidentiality Agreement**), under the terms of which the parties agreed *inter alia* to hold, and procure that their respective affiliates hold, certain confidential information provided by them in confidence for the purposes of organising the EGM, organising the transition of GAM's leadership, evaluating adequate financing possibilities and consummating the Offer. Both parties are free to suspend or terminate their discussions in this respect at any time, but the confidentiality obligations incurred under the Confidentiality Agreement survive in such a case for a period of two years.

5.2 Facilities Agreement

On 29 August 2023, Rock and GAM agreed that Rock would make available to GAM short-term financial support in an aggregate amount of CHF 20,000,000 under a Swiss law governed facilities agreement (the **Facilities Agreement**).

The financing contemplated by the Facilities Agreement consists of (i) a committed term loan facility in an aggregate amount of CHF 10,000,000 which can be used for the refinancing of loans that Liontrust made to GAM under facilities agreements dated 4 May 2023, and (ii) a committed term loan facility in an aggregate amount of CHF 10,000,000, which can be used for general corporate purposes.

The Facilities Agreement provides in summary that:

- The maturity date of the loans granted by Rock under the Facilities Agreement will be 31 December 2023;
- GAM will (i) terminate and repay in full the loans taken from Liontrust on the date of the first utilization of the credit facilities granted by Rock and (ii) release any security interest securing those loans within twenty (20) business days of such first utilization;
- GAM will prepay any loan made by Rock under the Facilities Agreement (i) upon receipt of the net proceeds from the contemplated issuance of convertible bonds or under any other financial indebtedness raised by the GAM Group, and (ii) if requested by Rock, in the event of a change of control with respect to GAM (other than as a result of members of the Offeror Group gaining control); and
- The applicable rate of interest is seven (7) percent per annum and the commitment fee on the undrawn part of the facilities is one point seventy-five (1.75) percent *per annum*.

5.3 Share Pledge Agreement

Pursuant to the Facilities Agreement, the loans granted under the Facilities Agreement will, to the extent permitted by law, be secured by way of a pledge over a defined number of shares in GAM Investment Management (Switzerland) AG. A pertaining share pledge agreement is expected to

be entered into between GAM (Switzerland) Holding AG and the Offeror Group by no later than 12 September 2023 (the **Share Pledge Agreement**). Under the Share Pledge Agreement, the Offeror Group will be permitted to enforce its security interest upon service of an acceleration notice pursuant to the Facilities Agreement.

5.4 Further Agreements

Except as described above or elsewhere in this report or in the Offer Prospectus, as of the date of this report and as far as the Board of Directors is aware, there exist no further agreements between the Offeror Group, on the one hand, and GAM, any of its shareholders, any of its subsidiaries or any of its or its subsidiaries' directors or officers (including the members of the GAM Group Management Board), on the other hand.

6. Intentions of Holders of Significant Positions in GAM

To the knowledge of the Board of Directors², on 8 September 2023 (as at 17:00 CEST), the following persons or entities have reported positions of, or relating to, 3% or more of the voting rights of GAM:

Person / Entity	Percentage of GAM Shares and/or of Other Positions held
Silchester International Investors LLP ³	17.30% ⁴
Xavier Niel, Michael Golan, Anthony Maarek, Albert Saporta, Bruellan Holding SA (through Newgame SA, Rock Investment SAS, Bruellan Corporate Governance Action Fund and The Phoenix Insurance Company) ³	9.60% ⁵
BlackRock, Inc. ³	3.78% ⁶

² The information of the Board of Directors is based on shareholdings reported to SIX in accordance with article 120 FinMIA, on transaction reports notified to the TOB as well as on shareholdings reported to the Company before 8 September 2023 (as at 17:00 CEST).

³ Information based on latest notification submitted by the shareholder to the TOB pursuant to article 134 FinMIA.

⁴ GAM Shares: 17.30%.

⁵ GAM Shares: 6.67%; Other Purchase Positions (delegated voting rights): 2.93%.

⁶ GAM Shares: 3.71%; Other Purchase Positions: 0.07%.

Solas Capital Management, LLC ⁷	5.10% ⁸
Christopher Brown ⁷	5.00% ⁹
GAM Holding AG ¹⁰	4.78% ¹¹
Gothic Corporation ⁷	4.33% ¹²
Dimensional Holdings Inc. ³	3.22% ¹³
Mario J. Gabelli ⁷	3.02% ¹⁴

At this stage, the Board of Directors is not aware of any challenges filed regarding the Offer, except the Offeror's challenge as set out under Section 1.

At this stage, the Board of Directors is not aware of the intentions of the persons or entities listed above.

7. Defense Measures

The Board of Directors has no knowledge of defense measures that have been taken against the Offer nor does it intend to take any defense measures against the Offer or to propose any defense measures to a general meeting of shareholders of GAM.

8. Financial Reports; Disclosure of Material Changes in the Assets and Liabilities, Financial Condition, Profits and Losses and Business Perspectives

The audited consolidated full-year financial report of GAM as of and for the year ended 31 December 2022, and the unaudited consolidated half-year financial report of GAM as of and for the half-year ended 30 June 2023, are available on GAM's website (<https://www.gam.com/resultscentre>).

⁷ Information based on latest notification submitted by the shareholder to the SIX and to GAM pursuant to article 120 *et seq.* FinMIA.

⁸ GAM Shares: 5.10%.

⁹ GAM Shares: 5.00%.

¹⁰ Information provided directly by GAM.

¹¹ GAM Shares: 0.77%; Other Purchase Positions: 4.01%; Sale Positions: 7.62%.

¹² GAM Shares: 4.33%.

¹³ GAM Shares: 3.22%.

¹⁴ GAM Shares: 1.65%; Other Purchase Positions (delegated voting rights): 1.38%.

Zurich, 11 September 2023

For the Board of Directors of GAM Holding AG

David J. Jacob
Chairman

OFFER RESTRICTIONS

For the offer restrictions, reference is made to the offer prospectus for the public tender offer (partial offer) of Newgame SA for 28,000,000 publicly held registered shares with a par value of CHF 0.05 each of GAM Holding AG dated 17 August 2023 and to the supplement n° 1 dated 5 September 2023 to the offer prospectus for the public tender offer (partial offer) of Newgame SA for 28,000,000 publicly held registered shares with a par value of CHF 0.05 each of GAM Holding AG.