

August 5, 2020

News Release

UBS Announces Final Results of Five ETRACS ETN Exchange Offers and Suspends Further Sales of the five Series A ETNs

August 5, 2020 – UBS AG announced today the final results of its previously announced voluntary exchange offers (“Exchange Offers”) for five ETRACS Series A ETNs (collectively the “Series A ETNs”) for corresponding ETRACS Series B ETNs (collectively, the “Series B ETNs”), as set forth Table-1 below. As of 4:59 p.m. (New York City time) on August 5, 2020 (the “Final Expiration Date”), the aggregate principal amounts listed below of Series A ETNs had been validly tendered and not validly withdrawn in connection with the exchange offers. Holders that validly tendered and did not withdraw their Series A ETNs between 5:00 p.m. (New York City time) on July 21, 2020 and the Final Expiration Date will settle their exchanges on August 7, 2020.

Table-1

| ETRACS Series A ETN (Ticker Name) | | → | ETRACS Series B ETN (Ticker Name) | | Aggregate Stated Principal Amount Validly Tendered as of the Expiration Date |
|--|--|---|--|---|--|
| AMU | ETRACS Alerian MLP Index ETN due July 18, 2042 | → | AMUB | ETRACS Alerian MLP Index ETN, Series B due July 18, 2042 | \$229,740,525 |
| BDCS | ETRACS Linked to the Wells Fargo Business Development Company Index due April 26, 2041 | → | BDCZ | ETRACS Wells Fargo Business Development Company Index ETN Series B due April 26, 2041 | \$42,839,625 |
| DJCI | ETRACS Linked to the Bloomberg Commodity Index Total Return due October 31, 2039 | → | DJCB | ETRACS Bloomberg Commodity Index Total Return ETN Series B due October 31, 2039 | \$36,842,900 |
| MLPI | ETRACS Linked to the Alerian MLP Infrastructure Index due April 2, 2040 | → | MLPB | ETRACS Alerian MLP Infrastructure Index ETN Series B due April 2, 2040 | \$473,391,775 |
| UCI | ETRACS linked to the UBS Bloomberg Constant Maturity Commodity Index (CMCI) Total Return due April 5, 2038 | → | UCIB | ETRACS UBS Bloomberg Constant Maturity Commodity Index (CMCI) Total Return ETN Series B due April 5, 2038 | \$15,427,325 |

As previously announced, the voluntary exchange offers with respect to UBS AG’s 2xLeveraged Long ETRACS Linked to the Wells Fargo® Business Development Company Index due May 24, 2041 (Ticker: BDCL) (CUSIP: 90267B765) and ETRACS Monthly Pay 2xLeveraged Mortgage REIT ETN due October 16, 2042 (Ticker: MORL) (CUSIP: 90269A302) were each terminated effective as of March 16, 2020, as a result of the mandatory redemption of those securities following the occurrence of an “Acceleration Upon Minimum Indicative Value” on March 16, 2020, each pursuant to its terms. The voluntary exchange offer with respect to the ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN due December 10, 2043 (Ticker: CEFL) (CUSIP: 90270L842), was terminated effective as of March 18, 2020, as a result of its mandatory redemption following the occurrence of an “Acceleration Upon Minimum Indicative Value” on March 18, 2020, pursuant to its terms.

Each Series B ETN that was offered in the Exchange Offers is intended to provide the same economic exposure as the corresponding Series A ETN, including identical underlying indices, daily Closing Indicative Values (CIV), investor fees, coupon amounts (if applicable) and payment formulas, in each case as set forth in the [Prospectus](#) and applicable annex related to the Exchange Offers, dated December 9, 2019 (the "Prospectus"). The key difference between the Series A ETNs and the Series B ETNs is that UBS AG and UBS Switzerland AG are each co-obligors on all Series A ETNs, while UBS AG is the sole issuer and obligor on all Series B ETNs. UBS Switzerland AG has no obligations with respect to the Series B ETNs.

UBS AG conducted the Exchange Offers in order to reduce the intercompany exposures of UBS Switzerland AG to UBS AG in line with regulatory recovery and resolution guidance.

For more information on the ETNs that were included in the Exchange Offers, please see the Prospectus.

Table-2 below includes the CUSIPs for each ETN involved in the Exchange Offers.

Table-2

| ETRACS Series A ETN (Ticker CUSIP) | | → | ETRACS Series B ETN (Ticker CUSIP) | |
|---|-----------|---|---|-----------|
| AMU | 90267B682 | → | AMUB | 90274D374 |
| BDCS | 902641588 | → | BDCZ | 90274D416 |
| DJCI | 902641679 | → | DJCB | 90269A450 |
| MLPI | 902641646 | → | MLPB | 90274D382 |
| UCI | 902641778 | → | UCIB | 90274D390 |

Series A ETNs Redemption and Suspension of Future Sales

UBS AG also announced today that it has suspended further sales from inventory of each of the Series A ETNs listed in Table-1 above. In addition, UBS AG announced a waiver of the minimum early redemption size for each series of ETNs specified in Table-1 above. Currently, holders of the ETNs are required to redeem at least 50,000 ETNs at one time in order to exercise their right to redeem the ETNs directly with the Issuer.

UBS AG has a contractual right to redeem all Series A ETNs and UBS AG intends to exercise its contractual call right for any non-tendered Series A ETNs that were subject to the Exchange Offers within the next few months. UBS AG plans to issue another press release next month with details concerning the redemption dates and process for these Series A ETNs. Following the completion of such redemptions, no Series A ETNs that were subject to the exchange offers are expected to remain outstanding.

As disclosed in more detail in the prospectus supplements for each of the Series A ETNs, the market value of the Series A ETNs may be influenced by, among other things, supply and demand for the Series A ETNs. There is a substantial possibility that the suspension of any further sales of these Series A ETNs by UBS AG, as described above, may influence the market value of the Series A ETNs and the liquidity of the market for the Series A ETNs, potentially leading to insufficient supply and causing the Series A ETNs to trade at a premium above their closing or intraday indicative value. Any such premium may subsequently decrease at any time and for any reason without warning, resulting in financial loss to investors who paid this premium when they acquired their Series A ETNs. In addition, on the applicable redemption date, holders will receive the Redemption Amount or Call

Settlement Amount, as applicable, as described in each applicable prospectus supplement but will not receive any premium thereto. Accordingly, investors who purchase the Series A ETNs at any time prior to the Call Settlement Date for an amount that is greater than the Redemption Amount or Call Settlement Amount, as applicable, (including paying any premium to the indicative value of the Series A ETNs) will suffer a loss on their investment.

If investors elect to redeem their Series A ETNs prior to the Call Settlement Date, any redemption will be at the redemption value set forth in the applicable prospectus supplement and will not include any premium above that value. Investors should always consult their financial advisors and compare the intraday indicative value of the Series A ETNs with the Series A ETNs' then-prevailing market price before purchasing or selling the Series A ETNs, especially Series A ETNs with premium characteristics.

This announcement does not affect the terms of the outstanding Series A ETNs, including the right of holders to require UBS AG to redeem their Series A ETNs on the terms and at the redemption price set forth in the applicable prospectus supplement.

For more information regarding the Series A ETNs, the prospectus supplement for each of the Series A ETNs can be accessed on EDGAR, the Securities and Exchange Commission's ("SEC") website, at www.sec.gov, and the prospectus supplements are also available at the links included in Table-3 below.

Table-3

| ETRACS Series A ETN (Ticker CUSIP) | | Link to Prospectus Supplement |
|---|-----------|-------------------------------|
| AMU | 90267B682 | Link |
| BDCS | 902641588 | Link |
| DJCI | 902641679 | Link |
| MLPI | 902641646 | Link |
| UCI | 902641778 | Link |

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The Exchange Offers were made pursuant to the terms and conditions set forth in UBS AG's Prospectus related to the Exchange Offers, dated December 9, 2019, which form a part of the Registration Statement (as defined below), and the related Letter of Instruction (the "Letter of Instruction").

A Registration Statement on Form F-4 (Registration No. 333-234705) (the "Registration Statement") relating to the offer of the Series B ETNs was filed with the SEC on November 14, 2019 (as amended by Amendment No. 1

¹ Individual investors should instruct their broker/advisor/custodian to call us or should call together with their broker/advisor/custodian.

to the Registration Statement filed with the SEC on December 5, 2019) and declared effective by the SEC on December 9, 2019. Copies of the Prospectus, the Letter of Instruction and other documents filed with the SEC by UBS AG are available to holders free of charge through the website maintained by the SEC at www.sec.gov. Copies of the Prospectus and the Letter of Instruction are available to holders free of charge through the information agent, D.F. King & Co. Inc., by calling (800) 591-8269 (toll free) or (212) 269-5550 (for banks and brokers) or by emailing ubs@dfking.com. Holders may also obtain copies of the Prospectus and the Letter of Instruction, free of charge, by contacting UBS AG by calling 1-877-387 2275 or by emailing etracs@ubs.com.

UBS has also filed a Registration Statement on Form F-3 (Registration No. 333-225551) including a prospectus and supplements thereto with the SEC for the general offering of Series A ETNs and other exchange-traded securities, outside of the exchange offers. Before you invest, you should read the prospectus, along with the applicable prospectus supplements to understand fully the terms of the securities and other considerations that are important in making a decision about investing in the Series A ETNs. The applicable offering documents for each Series A ETN that is the subject of this communication may be obtained by clicking on the links above in Table-3. You may also get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy any of the securities that are part of the Exchange Offers. The Exchange Offers are being made solely pursuant to the terms and conditions described in the Prospectus and related annexes and Letter of Instruction. This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this news release contains forward-looking statements that are subject to risks and uncertainties, and actual results may differ materially. A discussion of factors that may affect future results is contained in UBS AG's filings with the Securities and Exchange Commission and in the Registration Statement related to the Exchange Offers and there is no assurance that UBS AG will actually complete the Exchange Offers on the terms described herein or at all or that it will subsequently redeem the Series A ETNs. UBS disclaims any obligation to update or revise statements contained in this news release based on new information or otherwise.

In the U.S., securities underwriting, trading and brokerage activities and M&A advisor activities are provided by UBS Securities LLC, a registered broker/dealer that is a wholly owned subsidiary of UBS AG, a member of the New York Stock Exchange and other principal exchanges, and a member of SIPC. UBS Financial Services Inc. is a registered broker/dealer and affiliate of UBS Securities LLC.

The securities related to the offerings are not deposit liabilities and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency of the United States, Switzerland or any other jurisdiction.

About ETRACS

ETRACS ETNs are senior unsecured notes issued by UBS AG, are traded on NYSE Arca, and can be bought and sold through a broker or financial advisor. **An investment in ETRACS ETNs is subject to a number of risks, including the risk of loss of some or all of the investor's principal, and is subject to the creditworthiness of UBS AG. Investors are not guaranteed any coupon or distribution amount under the ETNs. Prior to making an investment in the ETRACS ETNs, investors should take into account whether or not the market price is tracking the intraday indicative value of the ETNs. We urge you to read the more detailed explanation of risks described under "Risk Factors" in the applicable prospectus supplement, or product supplement and pricing supplement, for the ETRACS ETN.**

About UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS's strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 31% of its employees working in the Americas, 32% in Switzerland, 19% in the rest of Europe, the Middle East and Africa and 18% in Asia Pacific. UBS Group AG employs over 67,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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