



Announcement

Basel, 27 October 2020

Settlement between the MCH Group and shareholders advised by AMG

MCH Group Ltd. and Erhard Lee, AMG Vermögensverwaltung and LLB Swiss Investment AG have settled the outstanding open points and have outlined a path for the recapitalisation of the MCH Group. Pursuant to an agreement signed on 26 October 2020, the MCH Group has agreed not to implement the resolutions of the Extraordinary General Meeting of 3 August 2020. Instead, a revised structure of the capital increase will be proposed to the shareholders, which will be resolved in an extraordinary General Meeting. In return, Erhard Lee and LLB Swiss Investment AG will withdraw all pending lawsuits before civil courts and supervisory authorities and will not institute any further proceedings in this connection. The Canton of Basel-Stadt and Lupa Systems LLC support this settlement.

The main terms of the proposed capital increase are as follows:

- In a first tranche, the share capital will be increased by CHF 30 million through the issue of 2 million new shares at a subscription price of CHF 15.00 (i.e. above the market price prior to the announcement of the settlement). The subscription rights of existing shareholders will be preserved. This tranche will be paid partly in cash and partly by offsetting a CHF 30 million loan from the Canton of Basel-Stadt to MCH Group.
- In a second tranche, following completion of the first tranche of the capital increase, the MCH Group's share capital will be increased by up to CHF 74.5 million through the issue of up to 7.45 million shares at a subscription price of CHF 10.00. The subscription rights of existing shareholders will be preserved. The shareholders advised by AMG Vermögensverwaltung will sell part of the subscription rights allotted to them to Lupa Systems and the Canton of Basel-Stadt. In addition, the canton of Basel-Stadt will exercise as many subscription rights that the proportion of shares held by public institutional shareholders will remain at least 33 1/3 %.
- At the same General Meeting of shareholders which decides on the two capital increases, the threshold for the obligation to make an offer under Swiss law will be raised from 33 1/3 to 49 % ("opting up") with regard to the present transaction and Lupa's involvement. The 5 % restriction on registration and voting rights under the Articles of Association will also be abolished. In future, the Board of Directors of the MCH Group will be composed of three members proposed by Lupa Systems, three representatives of the public institutional shareholders and three independent directors.

**MCH Group
Global Live Marketing**

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The MCH Group will provide information as soon as possible on the modalities of the planned capital increase and on the date of the new Extraordinary General Meeting.

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