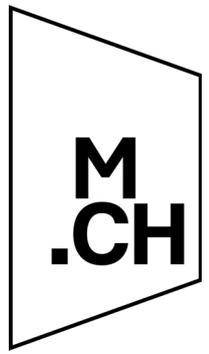


Ad hoc announcement pursuant to Art. 53 LR



Basel, 3 September 2021

Half-year closing MCH Group

## **First half of 2021 marked by lockdown and embarking on a new future**

- **Minimal business activity due to the Covid-19 pandemic and preparations for events in the coming six months have led to a decline in operating income to CHF 60.4 million and loss of CHF -29.4 million in the first half of 2021.**
- **Despite the still tense situation, there is a spirit of optimism. The work to gradually ramp up business activities and the initiated implementation of the strategy approved by the Board of Directors are being intensively pursued.**
- **The strategic framework comprises numerous initiatives in all business areas. With the realisation of a clearly defined implementation plan, the MCH Group will grow again and increase its profitability.**

At the MCH Group, the first half of 2021 was marked by lockdown and embarking on a new future. As in the ten months previously, business activity was largely at a standstill due to the measures for fighting the pandemic. The MCH Group is, however, looking optimistically to the second half of 2021, when it will be possible to stage large-scale events again and gradually ramp up its business activity. Over the past few months, the group has laid robust foundations for a successful turnaround and a prosperous future.

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### **Monthly losses significantly reduced**

The operating income generated in the first half of 2021 amounts to CHF 60.4 million (same period in the previous year CHF 132.7 million). The loss for the half-year 2021 is CHF -29.4 million (CHF -24.4 million), EBITDA is CHF -17.4 million (CHF -10.9 million). When drawing comparisons with the same period of the previous year, it should be noted that substantial income was still generated in the first “pre-Covid months” of 2020. In the first half of 2021, the average monthly consolidated loss was considerably reduced relative to the financial year 2020 and its second semester. This was achieved primarily through the careful evaluation and planning of human and financial resources deployment. Wherever possible and meaningful, short-time working and, in the USA, furlough were continued.

In line with the loss for the half-year, cash and cash equivalents in the first half of 2021 fell from CHF 130.1 million to CHF 99.7 million. Shareholders' equity has fallen to CHF 36.8 million, and the equity ratio is now 9.9%.

### **Key projects taken forward and implemented**

Despite the lockdown, key projects were implemented and taken forward in the first half of 2021. Art Basel in Hong Kong – the only event that the MCH Group was able to hold in the first half of 2021 – had to take place physically on a reduced scale, but also included expanded digital formats. In the Watch/Jewellery/Gemstones sector, a new concept for BASELWORLD was developed and launched. With the acquisition of Digital Festival AG, new and attractive events have been added to the portfolio. In the Experience Marketing division, numerous hybrid and digital projects have been realised worldwide.

### **Strategy confirmed and further developed**

After the capital increase and the entry of the new anchor shareholder Lupa Systems in the previous year, the renewal of the Board of Directors was completed at the Annual General Meeting in April 2021. Thereafter, the management and the Board of Directors conducted a review of the strategy defined in 2019. It was confirmed that the network of the three divisions – Community Platforms (physical, hybrid and digital platforms), Experience Marketing (strategy, creation and implementation of marketing solutions) and Venues (own infrastructure in Basel and Zurich) – constitute a unique asset with a high synergy and development potential. The strategic focus on innovation, digitalisation and internationalisation have been confirmed and further sharpened through prioritised strategic initiatives in all the divisions.

The MCH Group is convinced that, with the strategy plan drawn up, it can attain its ambitious growth and profitability targets both at group level and in the individual divisions.

### **Target of a balanced second half-year**

In view of the fact that large-scale events can be staged again, with participants required to present a COVID certificate, the MCH Group can assume that it will be able to gradually step up its business activities again as of September 2021. Preparations for the forthcoming events – and particularly for Art Basel in Basel – are in full swing.

The MCH Group is expecting a loss for the year 2021 that will be lower than in the previous year 2020, but still in the double-digit million range. According to its current estimates, the MCH Group is aiming for a balanced half-year result in the second half of 2021. However, the achievement of this target depends on a positive development in the USA, where the situation is currently increasingly uncertain again. In the worst – but unlikely – case that only very few or no events can take place worldwide until the end of 2021, a loss in the order of magnitude of the first half-year is to be expected in the second half of 2021.

Based on the updated mid-term plan, the management and the Board of Directors came to the conclusion that the group will be a going concern beyond 2022. With regard to the refinancing of the CHF 100 million bond due in 2023, a Bond Exchange Offer is being considered in 2022.

#### **Report Half-year Closing 2021**

<https://www.mch-group.com/en/investors/reports/>

#### **Ad hoc announcements**

<https://www.mch-group.com/en/investors/ad-hoc-announcements/>

#### **News**

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