



Ad hoc announcement pursuant to Art. 53 LR

Basel, 13 April 2022

MCH Group plans a further capital increase with the support of its two main shareholders

MCH Group is planning a further capital increase in order to secure liquidity for the refinancing of its CHF 100 million bond and the further development of the company. The government of the Canton of Basel-Stadt is asking the cantonal parliament to participate in the planned capital increase with an amount of up to CHF 34 million. Under this condition, Lupa Systems will also invest up to CHF 34 million in the company. The capital increase is to be carried out with subscription rights for all shareholders.

Following the pandemic-related losses of the past two years, a financial package of measures is required in order to secure the refinancing of the CHF 100 million bond due in May 2023 and the necessary investments in the company's growth. The focus is on strengthening the capital base with downstream renewal of debt financing. As a first step, MCH Group is planning a further capital increase with subscription rights for all shareholders.

"We have laid the foundations for a successful future during the extremely difficult pandemic years. We have ambitious growth targets, a convincing strategic framework and a concrete implementation plan", says Andrea Zappia, Chairman of the Board of Directors of MCH Group. "The fact that the government of Basel-Stadt as well as Lupa Systems are willing to invest up to CHF 34 million each in MCH Group as part of the planned capital increase underlines that they have every confidence in the path we are taking."

In 2020, the Canton of Basel-Stadt (subject to the approval of the competent bodies) and Lupa Systems had agreed to support the refinancing of the bond in equal parts if the company were unable to refinance it itself. This so-called "backstop" will enable the company to grow after the pandemic.

The government of the Canton of Basel-Stadt is therefore proposing to the parliament that the canton participate in the planned capital increase through the acquisition of new capital shares in the amount of up to CHF 34 million. This means that the public entities participating in the MCH Group will continue to hold at least 33.34 % of the shares and voting rights.

In the 2020 capital increases, the Canton of Basel-Stadt had converted CHF 24.2 million of an existing interest-free loan of CHF 30 million into equity. When it joined MCH Group, Lupa Systems had envisaged a maximum investment amount of CHF 75 million and had invested CHF 48 million as part of the capital increases in 2020. In the case of the capital increase now planned, Lupa Systems is also willing to invest up to CHF 34 million, in the same way as the Canton of Basel-Stadt, and thus to go beyond the originally planned maximum investment amount, if necessary.

Furthermore, the government is proposing to the parliament that repayment of the remaining loan of CHF 5.8 million that was not converted into equity in 2020 should be waived. This had likewise been envisaged in 2020 already and is now also justified by the fact that MCH Group was not entitled to Corona hardship funds from the Swiss Confederation due to the participation of the public entities.

Once a legally binding parliamentary decision has been taken, MCH Group will submit the capital increase to its shareholders at an Extraordinary General Meeting. The concrete modalities – in particular the issue price and the requirements under takeover law – will be drawn up in the coming months.

Media releases of the government of the Canton of Basel-Stadt (in German)

<https://www.regierungsrat.bs.ch/-medienmitteilungen.html>

MCH Group

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

Ad hoc announcements

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

Media releases

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

Contacts

Media Relations: Emanuel Kuhn, +41 79 597 82 88, emanuel.kuhn@mch-group.com

Investor Relations: Christian Jecker, 41 58 2056 22 52, christian.jecker@mch-group.com