

HOCHDORF Group Press Release: Major shareholders under obligation

Board of Directors of HOCHDORF must be recomposed

Hochdorf, 18 February 2020 – **The large majority of the Board of Directors of HOCHDORF Holding Ltd will not be available for re-election at the next Annual General Meeting. This is a logical consequence of the extensive changes in the company's shareholder structure since the last Annual General Meeting in April 2019. The future strategic direction and any adjustments to the company's capital structure must be determined and implemented by the major shareholders. They were asked to propose representatives of their choice for the Board of Directors.**

The Board of Directors, with majority newly composed in April 2019, has made enormous efforts over the past 10 months to stabilize the HOCHDORF Group, which has fallen into difficulties. These included extensive restructuring and refinancing measures and the appointment of a new operational management team. In particular thanks to the renewal of the syndicated loan and the sale of Pharmalys at the end of 2019, the company is now back on somewhat more solid ground and can take a prudent approach to future planning.

To this end, the Board of Directors has sought discussions with the company's largest shareholders. These will hold approximately 60% of the company's shares at the end of March 2020, after completion of the full conversion of the outstanding mandatory convertible bond into shares of HOCHDORF Holding Ltd (and subject to further movements).

The Board of Directors is of the opinion that the major shareholders need to agree on a common path regarding the future capital structure and strategic direction of the Group. This must be implemented with new members of the Board of Directors who can directly represent the interests of the major shareholders. This was presented to the major shareholders at a "round table". They will assume their responsibilities and propose suitable candidates for election.

The acting Chairman of the Board of Directors, Bernhard Merki, Vice-Chairman Jörg Riboni and members Markus Kalberer and Walter Locher will continue to support the company to the best of their ability until the next Annual General Meeting. However, they are no longer available for re-election. Markus Bühlmann (ZMP) is currently the only direct shareholder representative on the Board of Directors of the company.

The Board of Directors hopes to be able to provide information on the planned future composition of the Board of Directors as part of the financial reporting for the 2019 financial year (on March 19, 2020).

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The HOCHDORF Group, based in Hochdorf, achieved a consolidated gross sales revenue of CHF 561.0 million in 2018. It is one of the leading foodstuff companies in Switzerland, employing 666 staff as of 30.06.2019. Made from natural ingredients such as milk, wheat germ and oil seeds, HOCHDORF products have been contributing to our health and wellbeing since 1895 – from babies to senior citizens. Its customers include the food industry and the wholesale and retail sectors. Its products are sold in over 90 countries. The shares are traded on the SIX Swiss Exchange in Zurich (ISIN CH0024666528).

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