

HOCHDORF Group Press Release: Annual General Meeting 2020

Information about the Annual General Meeting on 30 June 2020

Hochdorf, 5 June 2020 – HOCHDORF Holding Ltd today issued its invitation to the Annual General Meeting. At the AGM on 30 June the following candidates are standing for election to the HOCHDORF Holding Ltd Board of Directors: Markus Bühlmann (re-election), Jürg Oleas, Andreas Herzog, Jean-Philippe Rochat and Ralph Siegl (all first-time candidates). The Board of Directors also decided to include a minority shareholder request for a special audit on the AGM agenda.

The HOCHDORF Holding Ltd AGM, which was postponed to 30 June 2020, will take place without shareholder attendance on account of the coronavirus pandemic. Voting will take place electronically and via postal votes using an independent proxy.

Candidates for election to the Board of Directors

As previously announced on 18 February 2020, the following members of the Board of Directors are standing down: Bernhard Merki, Jörg Riboni, Markus Kalberer and Dr Walter Locher.

In selecting the new candidates for election to the Board of Directors, the Personnel and Remuneration Committee focused on the essential skill set for the HOCHDORF Group. In addition to the re-election of Markus Bühlmann, the Board of Directors is proposing Jürg Oleas, Andreas Herzog, Jean-Philippe Rochat and Ralph Siegl as new board members.

Jürg Oleas is proposed for election as the new Chairman of the Board of Directors. Jürg Oleas, Jean-Philippe Rochat and Ralph Siegl are proposed for election to the Personnel and Remuneration Committee.

Based on the discussions it has held, the Board of Directors is convinced that it is offering shareholders the opportunity to elect a professional board with a balanced skill set, which has the strong support of the three largest shareholders in the company in particular.

Request for special audit on the basis of Art. 697 Swiss Code of Obligations

In advance of the AGM, the Board of Directors is responding to the questions raised by a minority shareholder (see page 3) and a request for a special audit. It takes the view that the shareholder's request relates to questions that are of importance to a significant number of shareholders in the light of developments in the HOCHDORF Group over the past two years. Given this situation, the Board of Directors considers it crucial that the company's shareholders are provided with absolute transparency in all issues that are important to them, to enable them to regain confidence in the company and in its management team.

The Board of Directors therefore recommends that the shareholders accept the proposal if they are not fully satisfied with the answers of the Board of Directors and the auditors to the questions asked by the shareholder or if they have any doubts. In order to allow shareholders to form an opinion in

this respect, the Board of Directors will publish its answers and the answers of the auditors on the company's website on 15 June 2020.

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Presentation of the candidates for election to the Board of Directors

Markus Bühlmann

Profession: Master farmer; **Place of residence:** Rothenburg, LU; member of the Board of Directors since 2019; **Born:** 1962; **Training/degree:** Master farmer with advanced specialist qualification; **Professional background:** Federal VET diploma in agriculture; advanced specialist master farmer qualification; **Professional activity:** Farmer and owner of an agricultural business with milk production and pig breeding in Rothenburg; **Other activities:** since 2014, member of the pilot project REDES BLW; since 2015, delegate of the Swiss Farmers' Union (SFU); since 2015 member of the Central Switzerland Milk Producers Regional Committee (Zentralschweizer Milchproduzenten ZMP); since 2015 member of the Executive Board of Central Switzerland Milk Producers (ZMP); since 2018 member of the Board of Directors of ZMP Invest AG and Vice Chair of ZMP.

Jürg Oleas

Profession: Mechanical engineer ETH; **Place of residence:** Eich, LU; **Born:** 1957; **Training/degree:** Mechanical engineer ETH with additional specialisation in law; **Professional background:** 1982 to 1998 employed in various roles at the ABB Group; 1999 to 2001 CEO at Alstom Power Switzerland; 2001 to 2019 employed in various roles at the GEA Group, from 2004 as its CEO; **Professional activity:** since 2019 self-employed entrepreneur with consulting activities; **Other activities:** since 2011 Member of the Board of Directors of RUAG Holding AG, Bern; since 2016 Member of the Board of Directors of Lafarge Holcim Ltd, Jona.

Andreas Herzog

Profession: Business economist HWV; **Place of residence:** Laax, GR; **Born:** 1957; **Training/degree:** Various postgraduate courses in marketing and financial management at business schools in France, Canada and the USA after graduating in business economics; **Professional background:** 1984 to 1990 employed in various roles at Ciba-Geigy, Basel, Mexico City, Abidjan; 1990 to 1995 employed in various roles at SWATCH, Biel, Bad Soden/Fkft a.M.; 1996 to 2001 Vice President Finance at Daniel Swarovski Corporation, Feldmeilen; 2001 to 2002 CFO at Eichhof Holding AG, Lucerne; 2002 to 2019 CFO of the Buhler Group, Uzwil; **Professional activity:** Self-employed since October 2019, including as European partner of RIFF Ventures; **Other activities:** Member of the Advisory Board of CEIBS International Business School Switzerland, Horgen; since 2017 Vice Chair of the Swiss-Chinese Chamber of Commerce; since 2018 Member of the Board of Directors of SeedCapital Invest AG, Sempach; since 2019 Chairman of the Board of Directors of Systemcredit AG, Schlieren; since 2019 Member of the Board of Directors of Meyer Burger Technology AG Thun.

Jean-Philippe Rochat

Profession: Lawyer; **Place of residence:** Lausanne, VD; **Born:** 1957; **Training/degree:** lic. iur., admitted to the bar of the canton of Vaud; **Professional background:** Studies in law at the University of Lausanne; **Professional activity:** Since 1988 Partner at Kellerhals Carrard; **Other activities:** Various foundation board and board of directors mandates (e.g. Board of Directors of Investissement Foncier SA-La-Foncière, Lausanne; Board of Directors of Vaudoise Assurances Holding AS, Lausanne; Board of Directors of Vetropack Holding SA, Saint-Prex).

Ralph Siegl

Profession: lic. rer. publ. HSG, M.Sc. (Econ.); **Place of residence:** Wolfhausen, ZH; **Born:** 1966; **Training/degree:** Licentiate in Political Science/International Relations at the University of St. Gallen (HSG) and Master Degree in Economics at the London School of Economics and Political Science; **Professional background:** 1995 to 2006 worked for Nestlé Suisse SA, Vevey and Nestlé Australia Ltd, Sydney, ultimately as Vice President Exports; 2006 to 2016 CEO of Confiseur Läderach AG, Ennenda; 2016 to 2018 Managing Director, Group Management & Operations, Läderach Group, Ennenda; **Professional activity:** Since 2018 independent management consultant and Managing Partner of Experts for Leaders AG, Zurich; **Other activities:** Since 2010 member of the Board of Directors of Gübelin Holding AG, Lucerne; since 2013 member of the Board of Directors (Chairman 2016 to 2020) of Bank Linth LLB AG, Uznach; since 2019 Delegate of the Board of Directors of Ylex AG, Aarau; since 2020 member of the Board of Directors of Assepro Group, Pfäffikon SZ.

Questions from the shareholder

1. In the individual financial statements of Hochdorf Holding Ltd as at 31 December 2019, (i) shareholdings, (ii) shareholdings sold and (iii) loans to subsidiaries were depreciated (the "depreciated activities"). A provision was also made for a loan from Commerzbank to Uckermärker Milch GmbH (the "Uckermärker provision"). Please explain exactly on which assets the depreciation has been made and explain why this depreciation and the Uckermärker provision had to be made.
2. What audit procedures did the auditors perform during the audit of the financial statements under commercial law as at 31.12.2018 in order to review the valuation of the *depreciated assets* and the necessity of the *Uckermärker provision*? What evaluations did the auditors perform and on which evaluation models were they based? What were the results of the evaluations by the auditors?
3. Were there already indications at the time when the individual accounts under commercial law were drawn up as at 31 December 2018 that there was a need to depreciate the *depreciated assets* or that a provision was needed for the risk covered by the *Uckermärker provision*?
4. For what reasons did the auditors not already demand in the 2018 financial statements under commercial law that the *depreciated assets* be depreciated at that time and that the *Uckermärker provision* be made in these financial statements?
5. How high were the accounts receivable that Hochdorf Swiss Nutrition had on 31.12.2018 (please indicate the five largest debtors with amounts) and how old were these receivables at that time? Of these receivables, what amount was paid by 31.12.2019? Please answer the same questions with regard to Pharmalys Laboratories.
6. Did the auditors have indications that some of the debtors mentioned in point 5 were to be written off at the time of the consolidated financial statements as at 31.12.2018?
7. What audit procedures did the auditors perform during the audit of the consolidated financial statements as at 31.12.2018 in order to examine the valuation of the debtors mentioned in point 5?
8. The auditors make a qualification in their report on the 2019 financial statements of Hochdorf Holding Ltd. In doing so, they argue that the company's ability to continue as a going concern depends on the payment of outstanding receivables and adherence to the budget. For these reasons, they see a substantial uncertainty and have considerable doubts as to whether the company can continue as a going concern. It seems illogical to me that this qualification was made in the 2019 financial statements after the balance sheet was tidied up and depreciations of well over CHF 200 million had to be made. At the time of the 2018 financial statements, were there still no indications that the ability to continue as a going concern was at risk? What were the auditors' main considerations in terms the ability to continue as a going concern in the 2018 financial statements? What specific audit procedures did E&Y perform at that time with regard to the ability to continue as a going concern?