

Notes to the Annual Accounts

1. Principles

1.1 General Information

The present annual accounts of MCH Group Ltd. with head office in Basel have been drawn up in accordance with the Swiss commercial accounting and financial reporting legislation (Title 32 of the Swiss Code of Obligations). The main accounting and valuation principles applied that are not prescribed by law are described below.

1.2 Valuation principles

Assets are valued at no more than acquisition cost. All assets and liabilities denoted in foreign currencies are translated at the exchange rates applicable on the balance sheet date. Income and expenses denominated in foreign currencies and all transactions in foreign currencies are translated at the exchange rates applicable on the individual transaction dates. The resulting exchange rate differences are included on the income statement. Any unrealised exchange gains are deferred and reported under the item "Accrued expenses and deferred income".

1.3 Non-inclusion of a cash flow statement and further details in the notes

MCH Group Ltd. draws up group accounts on the basis of a recognised accounting standard (Swiss GAAP FER). In accordance with the statutory provisions, it has thus dispensed with the provision of details of interest-bearing liabilities and auditing fees and also with a cash flow statement in the notes to the present annual accounts.

2. Disclosures on balance sheet and income statement positions

2.1 Investments

The direct and principal indirect holdings are listed in the notes to the group accounts.

The capital share corresponds to the voting share.

At the extraordinary general meetings of MCH Swiss Exhibition (Basel) Ltd. on 15 January 2018 and 7 March 2018, it was resolved to pay a dividend of CHF 4.0 million and CHF 1.5 million. These dividends are already entered as dividend income in the 2017 annual accounts and stated under other current receivables from holdings.

2.2 Share capital

As of 31.12.2018, the share capital is divided into 6,006,575 registered shares with a nominal value of CHF 10.00 per share (unchanged compared with the previous year).

2.3 Value adjustment on loans

In conjunction with the sale, the loan granted to Winkler Livecom AG for a sum of CHF 6.9 million was similarly written down in full (including CHF 2.9 million subsequent to the sale).

2.4 Bond

In the framework of financing MCH Group Ltd., a CHF 100 million new issue (bond) was raised with a term running from 16.05.2018 to 16.05.2023 (5 years) and a coupon of 1.875%. The fees incurred for the issue of the bond will be charged to the income statement on an accrual basis over the five-year term.

3. Further details

3.1 Full-time employees

The number of full-time employees averaged over the year was between 10 and 50 in the reporting year and the previous year.

3.2 Sureties provided for liabilities of third parties

By way of security for obligations taken on by MCH Live Marketing Solutions AG in the context of a work contract, MCH Group Ltd. provided guarantees totalling CHF 3.0 million on 31.12.2018 (previous year CHF 3.0 million). By way of security for a rent guarantee for MC², a guarantee of USD 2.5 million was issued.

3.3 Contingent liabilities

As the parent company, MCH Group Ltd. guarantees the fulfilment of the contracts (investment contributions and loans earmarked for a specific purpose) with the public-sector entities (the Cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich) by means of an abstract payment guarantee.

MCH Group Ltd. is jointly and severally liable with MCH Swiss Exhibition (Basel) Ltd. for a credit facility of CHF 70.0 million, which was taken up for a sum of CHF 40.0 million (previous year CHF 40 million) by MCH Swiss Exhibition (Basel) Ltd. on the balance sheet date. The MCH Group also has a credit limit of a further CHF 30 million.

3.4 Sale of Winkler

MCH Group Ltd. sold subsidiary Winkler Livecom AG in Wohlen to the management of the technical live communication service provider and a private investor. The sale was completed on 31.12.2018, which is why all the assets and liabilities were transferred to the new owners on this date. The book value of the investment in Winkler Livecom AG was written down in full in the previous year already. In conjunction with the sale, the loan granted to Winkler Livecom AG for a sum of CHF 6.9 million was similarly written down in full (including CHF 2.9 million subsequent to the sale).

3.5 Maximum dividend payment

The financing concept with the public-sector entities (the Cantons of Basel-Stadt, Basel-Landschaft and Zurich and also the City of Zurich) provides for a maximum dividend payment of 5% over the full financing term.

3.6 Key shareholders

At the end of 2018, 2,629 (previous year 2,936) registered shareholders were entered in the share register.

Shareholding 31.12. 2018 (31.12.2017):

Canton Basel-Stadt: 33.5% (33.5%)

Canton Basel-Landschaft: 7.8% (7.8%)

LLB Swiss Investment AG: 9.9% (9.6%) ¹⁾

Canton of Zurich: 4.0% (4.0%)

City of Zurich: 3.7% (3.7%)

¹⁾ Entered in the "Shareholders with voting rights" share register with 300,328 shares (5%)

3.7 Disclosure of participation rights

The participation rights of members of the Board of Directors and the Executive Board are shown in the Annual Report.

[Annual Report / Board of Directors](#)

[Annual Report / Executive Board](#)

4. Proposal for profit distribution

	2018	2017
	CHF 1000	CHF 1000
Profit carried forward	18 472	18 154
Net loss / profit	-12 273	318
Retained earnings available	6 199	18 472
The Board of Directors propose the Annual General Meeting the following appropriation:		
Dividend ¹⁾	-	-
Allocation to statutory reserve	-	-
Balance carried forward	6 199	18 472
Retained earnings available	6 199	18 472
	CHF 1000	CHF 1000
Special reserves	47 600	47 600
The Board of Directors proposes to shift the special reserves into the general free reserves.		
Allocation to general free reserves	-47 600	-
1) The Board of Directors proposes to carry forward the available retained earnings to the new accounts (previous year carry forward to the new accounts).		