

Muttenz, 11 June 2020

## Media release

### **The Annual General Meeting of Valora Holding AG approves all proposals by the Board of Directors**

- **Approval of the 2019 financial statements and of the proposed waiver of the dividend due to the coronavirus crisis.**
- **Acceptance of the proposals to renew the approved capital and increase the conditional capital in the Articles of Incorporation.**
- **Confirmation of the four directors standing for re-election and of the Chairman of the Board of Directors, plus the election of Markus Bernhard, Dr Karin Schwab and Dr Suzanne Thoma as new members of the Board of Directors.**
- **Approval of the remuneration of the Board of Directors and Group Executive Management.**
- **The effects of the coronavirus crisis are still having a major impact on revenue within the Valora Group, although slightly positive tendencies are in evidence with the easing of the official orders.**

At the Annual General Meeting (AGM) of Valora Holding AG in Basel today, the shareholders expressed their trust in the Board of Directors and Group Executive Management. The Annual General Meeting was held without the attendance in person of shareholders in accordance with Art. 6b of the "Ordinance 2 on the measures for combating the coronavirus (COVID-19)" ("Verordnung 2 über die Massnahmen zur Bekämpfung des Coronavirus (COVID-19)") issued by the Federal Council (COVID-19 Ordinance 2). Shareholders were able to exercise their rights exclusively via the independent proxy. It represented 2,011,610 votes at the Annual General Meeting of Valora Holding AG.

All of the proposals made by the Board of Directors were accepted. The most important decisions related to the following:

The 2019 financial statements were approved. Moreover, the Annual General Meeting agreed to a waiver of the dividend for the 2019 financial year in view of the developments related to the coronavirus and therefore to carry forward the 2019 net profit. The shareholders thus support a prudent approach to the company's financial resources in the interests of Valora and all its stakeholders.

The Annual General Meeting also approved the renewal of the authorised capital of CHF 400,000.00 for a further two years. This will continue to enable Valora to quickly take advantage of investment and acquisition opportunities or to carry out capital increases to further optimise the capital structure. The proposed conditional capital increase was also approved. The additional conditional capital in the amount of CHF 400,000.00 will further increase the financial flexibility of the company and its Group companies. The conditional capital allows Valora to issue financial market instruments such as convertible bonds, thereby benefiting from attractive options to procure capital on the market.

The Annual General Meeting further approved the 2019 Remuneration Report in a consultative vote. In a binding vote, it also approved the total maximum remuneration for the Board of Directors for the period of office from the 2020 AGM until the 2021 AGM and for the members of Group Executive Management for the 2021 financial year.

All members of the Board of Directors standing for re-election were confirmed in their office: Franz Julen, Insa Klasing, Michael Kligler and Sascha Zahnd. Moreover, Franz Julen was re-elected as the Chairman of the Board of Directors. Markus Fiechter, Peter Ditsch and Cornelia Ritz Bossicard did

not stand for re-election. Markus Bernhard, Dr Karin Schwab and Dr Suzanne Thoma were elected in their place as new members of the Board of Directors. Dr Suzanne Thoma will join the Nomination and Compensation Committee in addition to the current members Insa Klasing and Michael Kliger.

Franz Julen, Chairman of the Board of Directors, says: "I would like to thank the Annual General Meeting on behalf of the Board of Directors for their confidence in us and the support during what is a challenging time for everyone in view of the coronavirus. The Board of Directors is convinced that the waiver of the dividend in combination with the measures initiated at an operational level is compatible with and important to the company's long-term success. Our goal is to preserve the company's financial stability over the long term in order to quickly regain our old strength after the crisis together with our customers, employees, partners and shareholders. We have prepared ourselves for a process that will challenge us throughout 2020."

### **The coronavirus crisis continues to put strain on business**

The dynamic of developments associated with the coronavirus continues to significantly impact business performance at Valora Group. Following the incremental easing of the official orders to contain the virus, the foodvenience provider is now allowed to operate all its sales outlets. The official orders, however, have led to a sustained decline in customer frequency and revenue. As a result, just under 50% of the over 2,700 sales outlets currently have in some cases significantly reduced opening hours and about 5% remain closed for the time being. Orders in the B2B pretzel business remain subdued due to the sustained low demand in the out-of-home market, although they are recovering slowly.

Developments over the past few weeks thus continue to have a major impact on revenues, although slightly positive tendencies are now in evidence. While the retail network in the affected markets posted a fall in same-store revenue of around 20% in April over the previous year, it was about 10% in May. The decline in the food service network in May was about 60%, compared to about 70% in April. Sales for the B2B business were 60% down also in May compared to the previous year. The way in which this development will change in future still depends on how and when the easing of the respective lockdowns decreed by the various national authorities will impact customer frequency and on whether and how quickly customers' purchasing behaviour returns to normal.

### **Numerous measures implemented to reduce costs and secure liquidity**

As communicated, the Executive Management of the Valora Group has implemented numerous measures to reduce the cost base and to proactively safeguard liquidity. These measures include suspending all investments in expansion and conversions and the agreement with key lessors to defer rental payments. Some rent reductions during the lockdown were also agreed. Furthermore, slightly more than half of the Valora employees are now on short-time working. Having covered the salary shortfalls from short-time working to 100% until the end of April and to 90% in May, Valora will no longer offer this compensation in June and July. This does not apply to Germany, where Valora will continue to compensate the proportionally higher lost earnings to 80% in June and July. Valora is developing solutions with its agency and franchise partners to secure economic viability for these self-employed entrepreneurs and their staff.

It is still too early to make reliable forecasts about future revenue and earnings development. However, Valora expects a pronounced negative effect on EBIT and net profit both for the first half-year and full-year 2020. The negative effects on free cash flow can most likely be largely offset by the investment stops and by waiving the dividend, meaning that net debt at year-end is expected to only increase slightly.

**CVs of the new members of the Board of Directors of Valora Holding AG****Markus Bernhard**

Markus Bernhard has been CEO of mobilezone Group since 2014, an independent telecommunications retailer based in Switzerland and operating in the DACH region. He joined the company as CFO in 2007. Before that, the 56-year-old Swiss was in charge of finance at the international Novavisions AG (now Bloxolid AG; previously Mount10 Holding AG, Cope Inc. and Cope Holding AG), which combines real assets, such as precious metals, with modern blockchain technology, thus creating a new asset category. From 1991 to 1997, Markus Bernhard was an auditor at PricewaterhouseCoopers. Markus Bernhard holds a Master of Business Administration, specialising in Fiduciary & Audit and Corporate Finance, from the University of St. Gallen and is a qualified auditor at Treuhand-Kammer Zurich. Markus Bernhard is a member of the Board of Directors of NovaStor Software Group, Bloxolid AG and Wickart AG. He will strengthen the Board of Directors through his expertise in finance, M&A and stationary and digital retail, in addition to other areas.

**Dr Karin Schwab**

Karin Schwab is Vice President and Deputy General Counsel at eBay Inc., one of the world's leading online marketplaces. In this position, she has detailed knowledge of all the legal and operational issues relating to products, technologies, payments and data protection. The 47-year-old Swiss joined the eBay head office in San Jose, USA, in 2013 as Deputy General Counsel North and Latin America. Prior to that, she was Associate General Counsel Europe and served as secretary of the Board of eBay International AG. She joined the company in 2005 as Legal Counsel for Austria, Switzerland, Poland and Sweden and was subsequently responsible for intellectual property and litigation in Europe. Karin Schwab started her career as an associate with the Zurich law firm Homburger. She holds a law degree (lic. iur.) from the University of Fribourg, a Ph.D. from the University of Zurich and a Master of Laws from the University of London. She is licensed to practise in Switzerland and California, USA. Karin Schwab is a member of the International Advisory Board of the ZHAW School of Management and Law, Zurich. In addition to her international legal experience, Karin Schwab offers Valora expertise in e-commerce, product, technology, payment and data protection issues.

**Dr Suzanne Thoma**

Suzanne Thoma is CEO of BKW AG, an international energy and infrastructure services company based in Bern and listed on SIX Swiss Exchange. Suzanne Thoma has many years of management experience in industry. As CEO of BKW, she has been successfully leading the company through a fundamental transformation since 2013. The 58-year-old Swiss joined BKW in 2010 as head of the Power Grid business area and member of the Executive Committee. Prior to that, she managed the international automotive supply business at WICOR Group and was CEO of Rolic Technologies Ltd., a high-tech supplier of coatings and functional materials to the electronics industry. She held a number of management positions within and outside Switzerland at Ciba Speciality Chemicals Inc. (now BASF AG) from 1990 to 2002. Suzanne Thoma studied Chemical Engineering at the Swiss Federal Institute of Technology Zurich where she gained a Ph.D. in Engineering. She also holds a Bachelors in Business Administration. Suzanne Thoma is a member of the Board of Directors of OC Oerlikon and of Beckers Group, a family business. As CEO of BKW, she also acts as Vice-Chair of the foundation Avenir Suisse and represents BKW in the Economiesuisse Board. Suzanne Thoma will contribute her broad experience as a CEO in leading companies through fundamental transformation to the Valora Board of Directors.

**If you have any questions, please do not hesitate to contact:**

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**About Valora**

Each and every day, around 15,000 employees in the Valora network work to brighten up their customers' journey with a comprehensive foodvenience offering – nearby, quick, convenient and fresh. The more than 2,700 small-scale points of sale of Valora are located at highly frequented locations in Switzerland, Germany, Austria, Luxembourg and the Netherlands. The company includes, among others, k kiosk, Brezelkönig, BackWerk, Ditsch, Press & Books, avec, Caffè Spettacolo and the popular own brand ok.– as well as a continuously growing range of digital services. Valora is also one of the world's leading producers of pretzels and benefits from a well-integrated value chain in the area of baked goods. Valora generates annual external sales of CHF 2.7 billion. The Group's registered office is in Muttenz, Switzerland. The registered shares of Valora Holding AG (VALN) are traded on SIX Swiss Exchange AG.

More information is available at [www.valora.com](http://www.valora.com).

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