



Pratteln, January 4th, 2023

To whom it may concern and interest.

Sanctions Compliance Policy of Highlight Event and Entertainment AG

On 15 November 2022, we announced that Alexander Studhalter had resigned from the boards of Highlight Event and Entertainment AG ("**HLEE**") and all other companies within the HLEE Group, following his designation as a Specially Designated National ("**SDN**") under Executive Order ("**EO**") 14024 by the US Office of Foreign Assets ("**OFAC**").

HLEE also has instituted a formal Sanctions Compliance Policy (the "**Policy**") to ensure that we manage our pre-existing exposure to Mr. Studhalter and the companies owned by him, including Swiss International Investment Portfolio AG ("**SWIIP**"), in compliance with the US blocking sanctions on them and consistent with US sanctions policy.

At present, SWIIP owns 2'590'119 shares, or 27.38% of HLEE and also holds a security interest in an additional 15'750'000 shares of HLG (ISIN CH 000 653 9198) as collateral for a pre-existing EUR 49.59 million debt of HLEE to SWIIP (the "**Debt**"). Under OFAC's 50 Percent Rule, the blocking sanctions on Mr. Studhalter and SWIIP do not apply to HLEE because they do not own 50% or more of our equity.

Under our Policy and as required by OFAC, HLEE has excluded all US persons and the US financial system ("**US Elements**"), including our own US offices and US personnel, from any further transactions or dealings with Mr. Studhalter and SWIIP. In addition, in accordance with our Policy, we will not initiate any new business with Mr. Studhalter or SWIIP in any currency. The only dealings of HLEE with Mr. Studhalter and SWIIP while they are sanctioned by OFAC will relate to SWIIP's pre-existing shareholding in HLEE and the Debt.

Under Swiss law, we have no right or ability to force SWIIP to sell its shares or terminate or suspend the Debt. Instead, we have resolved to prevent SWIIP or anyone else connected to Mr. Studhalter or any other sanctions target from establishing or increasing their shareholding in HLEE, while encouraging SWIIP to sell its shareholding to a non-sanctioned acquirer. In respect of the Debt, to avoid a default, HLEE must continue to pay the principal and interest when due. However, we will not involve any US Elements in these payments or the payment of any dividends on the SWIIP shareholding, if any.

We have taken expert advice on this subject and believe that the exclusion of US Elements, avoidance of any new business and careful maintenance of our pre-existing exposure to conform to US sanctions policy and OFAC requirements will ensure that HLEE neither violates the OFAC sanctions nor engages in any sanctionable activity.

Our Policy also requires the avoidance of any business with US, Swiss, EU or UK sanctioned-persons or entities, unless licensed or authorized by the relevant sanctions authority and with the sole exception of any required maintenance or wind-down of pre-existing business relationships with newly sanctioned persons, which would be managed in compliance with all applicable sanctions.

We invite our stakeholders and relationship partners to contact us if they have any questions about our Policy, in which case please contact: Sven Heller by Email ir@hlee.ch.

Our Sanctions Compliance Policy can be found on our website www.hlee.ch under Investor Relations /Corporate Governance.

Approved and decided by the Board of Directors of HLEE Highlight Event and Entertainment AG on December 29th, 2022.

Bernhard Burgener
Chairman of the Board and CEO

Sven Heller
Member of the Board